

HIGHLIGHTS OF THE FY 2007 BLM REQUEST

The Bureau of Land Management (BLM) is responsible for the multiple use management, protection, and development of a full range of natural resources, including minerals, timber, rangeland, fish and wildlife habitat, and wilderness on about 261 million acres of the Nation's public lands and for management of 700 million acres of Federally-owned subsurface mineral rights. The Bureau is the second largest supplier of public outdoor recreation in the Western United States.

Under the multiple-use concept, the Bureau administers more than 18,000 grazing permits and leases and nearly 13 million livestock animal unit months on 214 million acres of public rangeland. BLM manages rangelands and facilities for 56,000 wild horses and burros. The 261 million acres of public land administered by BLM includes over 117,000 miles of fisheries habitat. Grazing receipts are estimated to be about \$12.2 million in fiscal year 2007, the same as the estimate for fiscal year 2006 with actual receipts of \$11.8 million in fiscal year 2005.

In 2007, BLM's onshore mineral leasing activities will generate an estimated \$4.5 billion in receipts from royalties, bonuses and rentals that are collected by the Minerals Management Service. The Bureau also administers about 55 million acres of commercial forests and woodlands through the "Management of Lands and Resources" and "Oregon and California Grant Lands" appropriations. Timber receipts (including salvage) are estimated to be \$55.4 million in fiscal year 2007 compared to estimated receipts of \$33.0 million in fiscal year 2006 and actual receipts of \$13.5 million in fiscal year 2005. The Bureau has an active program of soil and watershed management on 175 million acres in the lower 48 States and 86 million acres in Alaska. Practices such as revegetation, protective fencing, and water development are designed to conserve, enhance, and develop public land, soil, and watershed resources. The Bureau is also responsible for fire protection on the public lands and on all Department of the Interior managed lands in Alaska, and for the suppression of wildfires on the public lands in Alaska and the western States.

Overview of the BLM's 2007 Funding Request

The 2007 President's Budget request for the BLM is \$1.0 billion in current appropriations, not including the Wildland Fire account, an increase of \$4.4 million over the 2006 enacted level. With the Wildland Fire account included, the request is \$1.8 billion, an increase of \$18.7 million. The Wildland Fire account is used to fund fire operations of the BLM, National Park Service, U.S. Fish and Wildlife Service, and Bureau of Indian Affairs. Allocation of these funds between these bureaus is discussed in the Wildland Fire chapter of this volume.

OVERVIEW OF 2007 BUDGET REQUEST - w/o Wildland Fire

(Dollars in Thousands)

Budget Authority	2005 Actual	2006 Enacted	2007 Request	2007 Request Change from 2006	
				Amount	Percent
Current	1,002,157	998,859	1,003,300	4,441	0.4%
Permanent	1,427,088	1,104,280	1,050,835	-53,445	-4.8%
Total	2,429,245	2,103,139	2,054,135	-49,004	-2.3%
FTEs	8,194	8,135	8,144	9	0.1%

OVERVIEW OF 2007 BUDGET REQUEST - with Wildland Fire

(Dollars in Thousands)

Budget Authority	2005 Actual	2006 Enacted	2007 Request	2007 Request Change from 2006	
				Amount	Percent
Current	1,833,452	1,754,145	1,772,860	18,715	1.1%
Permanent	1,427,088	1,104,280	1,050,835	-53,445	-4.8%
Total	3,260,540	2,858,425	2,823,695	-34,730	-1.2%
FTEs	10,958	10,852	10,784	-70	-0.6%

Major increases in the BLM's 2007 budget request include \$25.4 million to facilitate domestic energy development, consistent with the goals of the recently enacted Energy Policy Act, and to address energy needs on the North Slope of Alaska. The request also includes an increase of \$3.0 million to increase timber production in Western Oregon, and a \$3.0 million increase to enhance BLM's capability to protect its nationally renowned cultural and natural heritage resources. The request total also includes an increase of \$21.56 million for uncontrollable costs to avoid loss of current performance capabilities.

These high priority funding increases are partially offset by reductions to lower priority programs and activities, including a decrease of \$10.011 million that reduces or eliminates many 2006 one-time Congressional funding increases. The budget does not request appropriations for the Range Improvement Fund. Instead, a legislative proposal will be submitted to amend the Federal Land Policy Management Act so that all grazing fees are deposited in the general fund of the Treasury for general deficit reduction.

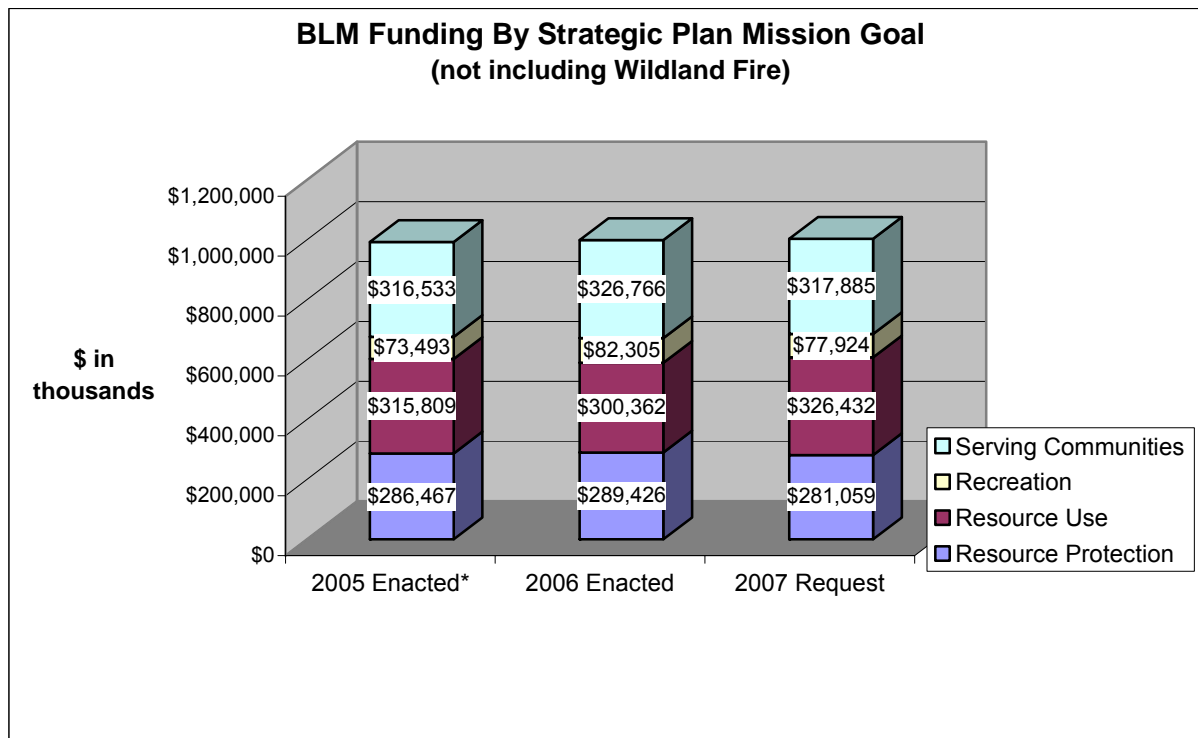
Each funding changes is summarized in the table below and discussed in more detail later in this section and in the specific subactivity chapters.

Request component	Funding Amount
Increases	
Energy Initiatives (total of \$25.4 million)	
Alaska North Slope Oil and Gas Development	\$12,400
Energy Permitting at Non-Pilot Offices	\$9,244
Oil Shale Leasing	\$3,300
Gas Hydrate	\$425
Forest Management	\$3,000
Cultural Resource Enhancement Initiative	\$3,000
Law Enforcement	\$720
Wildland Fire Management, Suppression Operations *	\$26,320
Departmental Land Resource Information System	\$720
Departmental Working Capital Fund	\$1,050
Indian Settlement Funding	\$200
Land Acquisition Program (including Emergencies & Hardships)	\$845
Increase for Uncontrollable Costs	\$15,927
Decreases	
Information Technology Reduction	\$9,391
Program Oversight & Admin. at Ntl Centers & Washington Offices	\$2,500
One-time Congressional Additions	\$10,011
Wilderness Management Program	\$500
Alaska Minerals Program	\$2,262
Abandoned Mines Program	\$1,000
Alaska Conveyance Program	\$5,000
Wildland Fire Management *	
Hazardous Fuels Reduction	\$10,000
State and Local Fire Assistance	\$9,852
Construction Program	\$5,274
Acquisition Management	\$732
Range Improvements Program	\$10,000

* These are Departmental figures and not broken down to the Bureau level by the Office of Wildland Fire Coordination

Overview of BLM's Request by Strategic Plan Mission Goal

The complexity of the Bureau of Land Management's (BLM) multiple-use responsibilities is illustrated by the distribution of funding across each of the four mission areas identified in the Department of the Interior's (DOI) 2003-2008 Strategic Plan. In 2007, the BLM is requesting \$1,003 million appropriated funds (not including Wildland Fire) to support the following DOI mission goals: Resource Protection (\$281 million), Resource Use (\$326 million), Recreation (\$78 million), and Serving Communities (\$318 million). In addition to supporting the DOI's mission goals, funding will support the Bureau's mission of sustaining the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.



BLM's Increasingly Important Role in the Changing West

The BLM manages more land than any other Federal agency. Most of the country's BLM-managed public land is located in 12 Western states, including Alaska. These lands, once remote, now provide the growing communities of the West with the natural resources and open space that give the region much of its character. The populations of the West are growing, creating new and expanded demands on the public lands, and increasing the breadth of the BLM's constituent and customer base. These demands range from traditional uses of public lands to newer ones like recreation and management of cultural and natural heritage resources. The public is using BLM-managed public land for a wide array of purposes, including recreation opportunities and visitor services, oil and gas production, timber resources, and grazing.

The 2007 budget request demonstrates the BLM's commitment to multiple use management and fiscal responsibility by carefully focusing on key national priorities for the Administration and ensuring that the Nation receives a good return on its investments. Guided by BLM's core mission of sustaining the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations, the BLM will focus on four priority areas, while emphasizing management excellence in all programs and activities.

Meeting the Public Demand – BLM's Four Priority Areas

Over the next three years, the BLM will focus on delivering services in four priority areas, plus focus on management excellence in all programs and activities. The four priority areas are

- I. Contributing to Domestic Energy Supply.
- II. Managing Rangelands and Forests to Achieve Healthy, Productive Watersheds.
- III. Improving Dispersed Recreational Opportunities.
- IV. Protecting Cultural and Natural Heritage Resources.

These priorities were developed consistent with the Department's Strategic Plan. Each of these priorities is discussed below.

I. Contributing to Domestic Energy Supply – Meeting the Energy Challenge

Recent natural disasters and rising gasoline prices have reminded Americans how dependent we are on reliable supplies of energy. Beyond the impact from these events, the United States faces an ever-widening gap between its production and consumption of energy, a gap that, if not closed, poses long-term risks to the U.S. economy and to America's national security.



Drilling rigs, as depicted above, are components of on-site drilling that BLM must oversee. BLM works with oil and gas companies to ensure that rigs are well maintained and meet environmental regulations.

In response to this challenge, President Bush developed a National Energy Policy that led to enactment of the Energy Policy Act of 2005. This legislation, signed into law on August 8, will help improve America's future energy security by promoting dependable, affordable, and environmentally sound energy production while reducing U.S. dependence on foreign oil. The new law also encourages energy conservation and efficiency through tax incentives, technological innovation, and the expanded use of alternative and renewable forms of energy, such as wind, geothermal, and biomass.

Contributing to the domestic energy supply, through implementation of the Energy Policy Act, President's National Energy Policy, and other initiatives, is one of the BLM's highest priorities. BLM will implement this priority through base funds, a requested funding increase of \$25.4 million, and an estimated \$20.0 million BLM will receive from rental receipts, to be used for processing oil and gas permits in certain BLM offices.

The Role of Federal Lands in Meeting the Nation's Energy Needs: Federal lands and waters, which account for about 30 percent of America's energy production, are a critical part of the effort to meet the nation's energy needs. This is made clear by a detailed inventory of Federal lands in five key Western geographic basins, which found that these lands contain nearly 140 trillion cubic feet of natural gas – enough to heat more than 55 million homes for

nearly 30 years. This same inventory, conducted by the Interior and Energy Departments under the Energy Policy and Conservation Act (EPCA) of 2000, estimated that these same lands contain about 68 percent of all undiscovered U.S. oil resources and 74 percent of undiscovered natural gas resources. BLM-managed public lands also provide coal, minerals, and alternative energy sources such as wind, geothermal and biomass resources. BLM recently completed a programmatic Environmental Impact Statement analyzing possible wind energy production areas, which should expedite the authorization process for wind energy facilities on BLM-managed public lands. BLM and other Federal agencies are conducting research and determining the possibility of production of energy from unconventional resources such as gas hydrates and oil shale.

The Role of the BLM in Implementing the Energy Policy Act: The Bureau of Land Management, as the manager of more public land than any other Federal agency, plays a key role in implementing the Energy Policy Act and the President's National Energy Policy. In managing this public land – 261 million surface acres and 700 million sub-surface acres of mineral estate – the BLM provides for multiple uses of the land, including energy development. The BLM also ensures that activities on the public lands are conducted in a manner that minimizes impacts on the environment. In the case of oil and gas exploration and development, less than one percent of the land managed by the BLM experiences surface disturbance from oil and gas activity.

As it implements the Energy Policy Act, which calls for the BLM to process oil and gas and other energy project permits in a more efficient manner, the Bureau will continue to protect the land by carrying out thorough environmental reviews and analyses of these projects. These reviews will be conducted in accordance with the National Environmental Policy Act (NEPA) and the BLM's land-use plans, which the Bureau develops and updates through a process that involves and encourages public participation. The Energy Policy Act does not change the requirements of the Endangered Species Act, the National Historic Preservation Act, the Clean Water Act, or the Clean Air Act.

To ensure an effective and orderly implementation of the Energy Policy Act, the BLM has established a team of agency professionals to identify issues and tasks related to the implementation effort. This team will help the BLM achieve its goal of implementing the Energy Policy Act in a manner consistent with the agency's mission, which is to ensure the health and productivity of the public lands for current and future generations of Americans.

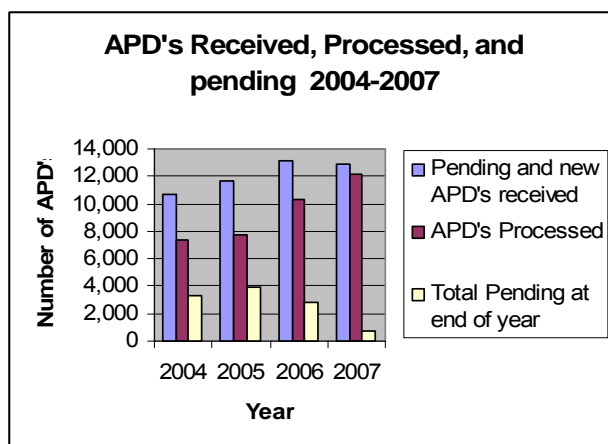
Alaska North Slope Oil and Gas Development: The most promising area for significant new oil discoveries and dramatic gains in domestic production in the United States is the Alaska North Slope, including the National Petroleum Reserve-Alaska (NPR-A) and the Arctic National Wildlife Refuge (ANWR). The U.S. Geological Survey estimates that there is a 95 percent probability that at least 5.7 billion barrels of technically recoverable undiscovered oil are in the ANWR coastal plain; that there is a 5 percent probability of at least 16 billion barrels; and that the mean or expected value is 10.36 billion barrels of technically recoverable undiscovered oil. The 2007 President's budget request assumes that Congress will enact legislation in 2006 to open ANWR to energy exploration and development, with a first lease sale held in 2008 and a second in 2010. The budget estimates that these two lease sales will generate a combined \$8 billion in bonus revenues, including \$7 billion from the 2008 lease sale.

The 2007 budget request includes an increase of \$12.4 million for Alaska North Slope energy activities. These funds will support the preparation and implementation of an ANWR leasing program, enable BLM to effectively manage the anticipated increased energy development

activities in the NPR-A, and allow BLM to remediate old, abandoned energy-related infrastructure that poses a threat to the Arctic environment. The additional funds will support such ANWR requirements as preparation of an environmental impact statement, data acquisition, and lease administration. Leasing, development, and exploration activities and workload are expected to increase in the NPR-A with the recent completion and approval of a resource management plan amendment for the northeast corner of the NPR-A. The amendment will guide leasing, exploration, and development in the Petroleum Reserve for the next ten to twenty years using lease stipulations and required operating procedures similar to those adopted for the adjacent northwest area of the Petroleum Reserve in 2004. The BLM will also continue coordination activities with the State of Alaska and the Canadian government concerning a North Slope natural gas pipeline.

As in the lower-48, the Administration is committed to ensuring that North Slope energy development is conducted in an environmentally sound manner. Given the unique and valuable natural resources of the Alaska North Slope, BLM will look for opportunities to strengthen and leverage its capabilities for effective environmental protection. In 2007, the BLM will continue to support the North Slope Science Initiative (NSSI). The NSSI, which is authorized in Section 348 of the Energy Policy Act, will guide inventory, monitoring, and research efforts at the Federal, State, and local levels in support of resource management on the North Slope. Its mission is to enhance the quality and quantity of the scientific data available for aquatic, terrestrial, and marine environments on the North Slope and make this information available to decision makers, agencies, industry, and the public. It will direct and facilitate a coordinated approach to information gathering and analysis. The NSSI members include BLM, the Fish and Wildlife Service, National Park Service, Minerals Management Service, National Marine Fisheries Service, U.S. Geological Survey (USGS), Alaska Department of Natural Resources, Alaska Department of Fish and Game, Arctic Slope Regional Corporation, and the North Slope Borough. The NSSI research and monitoring projects will enhance the ability to manage North Slope development so that it does not jeopardize the region's ecology and wildlife.

With the increased funds requested for the North Slope, BLM will continue to respond to the potential environmental damage associated with Interior legacy wells in the NPR-A. The BLM began addressing this problem in 2004. In response to the emergency situation created by accelerated coastal erosion in the vicinity of the J.W. Dalton well, in 2005 the Department transferred \$7.5 million using the Secretary's emergency borrowing authority, combining it with \$1.5 million in deferred maintenance funding, to plug the Dalton well and dispose of its reserve pits. The BLM also began assessments and characterizations of other sites at risk of inundation



in the area, and is developing a systematic plan to direct the monitoring, maintenance, and response needs of the dozens of other legacy wells and infrastructure sites in the NPR-A that are threatened by river, lake, and ocean shoreline erosion. The studies and long-term plan will be completed in 2006. Potential work in 2007 includes completing the disposal of the Dalton reserve pit, plugging abandoned wells at two other locations, and properly disposing of landfill and reserve pit contents in the area.

Processing Applications for Permits to Drill (APD) and Related Activities: The BLM will continue to prioritize expeditious processing of APDs, and will keep working to identify and implement improvements and cost efficiencies in the APD process. The 2007 budget proposes an increase of \$9.2 million in discretionary appropriations that will help the BLM keep pace with the growing demand for APDs, which is projected to continue, reduce the number of pending APDs, and keep up with the increasing follow-up work related to inspections and monitoring. Historically high oil and natural gas prices are driving an explosive growth in demand for energy development on public lands, as evidenced by record numbers of APDs being submitted by industry. This demand and accompanying APD filings are projected to continue to grow. The BLM received 6,979 APDs in 2004, 8,351 in 2005, and estimates receiving 9,186 in 2006 and 10,105 in 2007. By contrast, BLM received 5,063 APDs in 2003.

BLM's capability to process APDs will jump markedly in 2006 because of the \$20.2 million in additional mandatory funds made available for APD processing and related activities under Section 365 of Energy Policy Act. The BLM currently estimates that it will process 10,326 APDs and perform 20,382 inspections in 2006, both representing significant increases over the 2005 levels. The 2006 base capability is actually 9,916 APDs, because 410 of the APDs processed in 2006 will be funded with funds reprogrammed late in fiscal year 2005. The 2007 requested discretionary increases of \$4.3 million for APD processing and \$2.8 million for inspection and enforcement activities will enable BLM to greatly exceed these 2006 accomplishments. BLM currently projects that in 2007 it will process 11,984 APDs and conduct 26,188 inspections. The 2007 discretionary request also includes an increase of \$2.1 million for energy monitoring activities. The increased funding for inspections and monitoring beginning in 2006 and increases in 2007 will maintain or strengthen BLM's ability to safeguard the environment while accommodating increased access to these energy resources. The importance of this component of the oil and gas management program was underscored in a recent Government Accountability Office report that concluded that BLM's inspection and monitoring efforts have not kept up with the accelerated pace of leasing and APD processing activity.

The Administration is proposing legislation to repeal, effective September 30, 2007, the provisions in Section 365 of the Energy Policy Act of 2005 that divert leasing rental receipts from the Treasury to the BLM oil and gas program and prohibit BLM from implementing APD processing fees. During 2006 and 2007, the Administration will promulgate a new energy cost recovery rulemaking to impose APD processing fees beginning on October 1, 2007. The rulemaking will provide for a phase-in of full cost recovery on APDs, beginning with a fee amount in 2008 that will generate an estimated \$20.7 million in cost recovery revenue to fully offset the foregone Section 365 rental revenues, thereby preventing any diminution in BLM's APD processing and related inspection and monitoring capabilities. The proposed increased reliance on cost recoveries is consistent with the findings of previous Inspector General reports and the 2005 PART review of this program, which found that the program does not adequately charge identifiable users for costs incurred on their behalf.

Oil Shale Development: Oil shale resources represent a potentially abundant energy resource that could contribute significantly to the Nation's domestic energy supply. In 2006, Congress added \$1.0 million to the BLM budget and directed BLM to begin planning for an oil shale leasing program. BLM is using this funding to continue a research, development, and demonstration leasing program and begin work on the programmatic EIS that is needed as a precursor to a commercial oil shale leasing program. In recognition of the significant upside potential benefits of oil shale to the Nation, and the level of industry interest witnessed thus far, the Department proposes to accelerate implementation of an oil shale development program leading to a commercial leasing program by the end of 2008. The Department proposes a \$3.3

million increase, for a total program budget of \$4.3 million, to enable BLM to meet this milestone. This level of funding will support a robust programmatic EIS and a dedicated program management and oversight office, commensurate with the technological challenges involved in developing oil shale and the high level of environmental protection the Department wishes to ensure during exploration and production.

The BLM estimates that the funding provided in 2006 for the programmatic EIS and regulations will lead to commercial leases covering 20,000 acres by late 2008. Based on the production estimates from the oil shale operations in the 1970s, this level of commercial leasing is expected to produce 200,000 barrels of oil per day, once these operations are in full production. New leases utilizing the results of the research, development, and demonstration leasing program are expected to provide additional production with fewer environmental consequences, but these leases are not expected to be in production for at least five years. The 2007 Department of the Interior budget request also includes a \$500,000 increase for USGS to determine the size, quality, and quantity of oil shale deposits in the U.S.

II. Managing Rangelands and Forests to Achieve Healthy, Productive Watersheds.

BLM manages 55 million acres of forest and woodland under the principles of multiple use, sustained yield, and protection of environmental quality. Management of these lands supports the Forest Products outcome goal. Decisions about land use for recreation, aesthetics, water quality, and wildlife habitat, as well as timber and other forest biomass production, are made with an emphasis toward sustaining biological diversity and the long-term health of the land. In addition, the forest lands in western Oregon are managed under the Northwest Forest Plan, which emphasizes restoration of wildlife and fisheries habitat, and a scientifically sound, environmentally responsible, and sustainable level of timber sales. This includes thinning of young stands in Late-Successional Reserves (LSRs) to accelerate the attainment of late-successional and old-growth characteristics.

III. Improving Dispersed Recreational Opportunities.



BLM continues to focus on improving dispersed recreation opportunities. The budget request retains the funding provided by Congress in 2006 for completing travel management plans. Comprehensively managing travel by off-highway vehicles and other means is one of BLM's most pressing challenges, which involves extensive public involvement, resource assessment, inter-programmatic coordination, and active management. In 2007, BLM will continue to conduct travel management planning, and implement travel management plans. BLM will also focus on implementing the new recreation fee authority legislation, and enhancing partnerships and promoting good stewardship of the public lands by recreational users.

IV. Protecting Cultural and Natural Heritage Resources.

The public lands administered by the BLM contain exceptional geologic formations; wild free-roaming horse and burro herds; wild and scenic rivers; and innumerable paleontological, archaeological, and natural history sites. The BLM is caretaker of the largest, most diverse, and most scientifically important body of heritage resources in North America. Thousands of cultural properties have been reported in surveys of BLM public lands, with an additional 4.5 million sites estimated to exist, including cliff dwellings; mines and stamp mills; immense ground and rock alignments known as intaglios; abstract, realistic, and anthropomorphic rock art renderings; abandoned military outposts and homesteads; ghost towns; Indian and emigrant trails; and lighthouses. These resources represent a significant part of the Nation's natural and cultural heritage.

The 2007 BLM budget includes a \$3.0 million initiative to improve the protection, preservation, access to, and interpretation of public land cultural resources to enhance their economic, scientific, cultural, and educational value to all Americans. In allocating these funds, the BLM will give priority to areas with recently completed land use plans that describe cultural resource enhancement and preservation projects.

The following types of projects will be funded with the \$3.0 million increase:

- Stabilize and physically protect sites appropriate for heritage tourism,
- Increase the number of sites protected by 30 percent,
- Increase the number of sites monitored by 25 percent,
- Increase partnerships with Indian tribes,
- Accomplish two projects to identify and assess places of traditional cultural importance,
- Conduct two heritage tourism workshops to develop ten on-the-ground tourism venues, leveraging BLM dollars with local tourism providers.



Petroglyphs at Sears Point, in the Yuma Field Office, Arizona.

Most of this work will be accomplished using partners and volunteers, although contractors will be used where specialized expertise is required.

Summary of Budget Provisions:

Increases

- **Energy Initiatives:** BLM is requesting a total increase of \$25.4 million to implement the President's National Energy Policy, the Energy Policy Act, and North Slope Alaska Energy issues. This increase is in addition to base funds, new revenues provided by the Act, and cost recovery funds.

The increase will be spent as follows:

Request Component	Amount (\$000)
• Alaska North Slope Oil and Gas Activities	+12,400
• Energy Permitting at Non-Pilot Offices	+9,244
• Oil Shale Leasing	+3,300
• Gas Hydrate Research	+425
TOTAL, Program Changes	+25,369

New Revenue Sources From Energy Policy Act: Three new revenue sources are authorized by the Energy Policy Act

- Mineral leasing rental revenues to be used only for oil and gas authorization processing in seven pilot offices named in the Act (estimated at \$20.0 million in 2006 and 2007). Beginning in 2008, the Budget proposes redirecting this revenue source to the Treasury and substituting for it revenue from APD cost recoveries.
- Geothermal revenues for implementation of the geothermal program (\$2.7 million in 2006). The Budget proposes redirecting this revenue source to the Treasury beginning in 2007, consistent with historical practice.
- Naval Petroleum Reserve-2 (Kern County, California) – Revenues from this reserve are transferred from DOE. Oil and gas lease revenues are intended to fully fund the management and remediation of the site. (\$0.5 million in 2007)

Cost Recovery: The Energy Policy Act prohibits BLM from implementing cost recovery for APDs until 2014. However, the Budget proposes a legislative change that would allow the BLM to institute cost recovery for APDs beginning in 2008. BLM estimates it will receive \$1.8 million in 2007 from non-APD oil and gas cost recoveries; these cost recoveries were not altered by the Energy Policy Act.

Energy Permitting: Section 362 of the Energy Policy Act requires BLM to ensure timely action on APDs, to ensure NEPA compliance, to improve consultations, to improve the management of oil and gas leasing information and to improve inspection and enforcement.

The \$9.2 million request is to implement Section 362, including \$4.3 million to process 1,100 additional APDs; \$2.9 million to perform 1,930 additional inspections and \$2.0 million to conduct needed monitoring. The funding is targeted at the BLM offices which were not designated as Pilot offices and were not provided additional funds in the Energy Policy Act. These offices, like the pilots, are experiencing sharp increases in the demand for permits. This requested new money will be supplemented by a redirection of

\$2.25 million from Energy Policy and Conservation Act (EPCA) studies within the Oil and Gas program in order to improve BLM's inspection and enforcement program.

Gas hydrates may become an important global source of clean burning natural gas. For BLM, and the State of Alaska, gas hydrates are potentially a large untapped onshore energy resource on the North Slope of Alaska. To develop a complete regional understanding of this potential energy resource, BLM and USGS have entered into a cooperative project to assess gas hydrate energy resource potential in northern Alaska. This project combines the resource assessment responsibilities of the USGS with the surface management and permitting responsibilities of the BLM. As interest in gas hydrates continue to grow, information generated from this agreement will help guide these agencies to promote responsible development of this potential arctic energy resource. The Budget request includes \$425,000 for the BLM to participate in this effort with the USGS.

Oil Shale: BLM plans to use the \$3.3 million requested increase, together with base funding of \$1.0 million, to manage its oil shale research and development leasing program, to complete a major oil shale programmatic EIS and to take the initial steps leading to a commercial leasing program.

Alaska North Slope: The proposal includes a request for an additional \$12.4 million to support the exploration and development of energy located on Alaska's North Slope and to respond to environmental risks associated with government owned legacy wells in the area. The budget assumes that Congress will authorize development of ANWR in 2006. If authorized, the request would be used to prepare an EIS and take steps leading to exploration and development in ANWR. The budget assumes that ANWR lease sales would be held in 2008 and 2010, with a total of \$8.0 billion in bonus bids received from these two sales.

EPCA: The request also includes a re-direction of \$2.25 million base funds from EPCA studies into inspections and enforcement. This redirection of funding will allow BLM to perform an additional 1,500 inspections.

Other BLM programs also support Energy Policy Act initiatives. For instance, to advance the goals of the Energy Policy Act and the National Fire Plan, through its Public Domain Forest Management program, the BLM is furthering biomass utilization. The Bureau is offering to industries more biomass from forestry and other projects. Projects are focused in areas that have the greatest potential for woody biomass utilization. In Idaho, in cooperation with other agencies and Renewable Energy of Idaho, BLM is preparing to make available biomass to a new 19 megawatt biomass plant in the City of Emmett. By-products from restoring BLM juniper woodlands and forest lands in southeast Idaho will supply this new plant.

- **Forest Management:** The budget request includes a request of \$3.0 million for the Oregon and California forestry program. The focus will be on increasing the volume of timber offered for sale in order to meet the requirements of the settlement agreement in AFRC v. Clark litigation.
- **Cultural Resources Enhancement Initiative:** The budget request includes a request for \$3.0 million for a major cultural resource enhancement initiative in 2007, called

“Enduring Legacy”. The initiative will enable BLM to increase and expand such activities as site stabilization, monitoring, and interpretation.

- **Law Enforcement:** The budget request includes a \$720,000 increase for the law enforcement program consistent with the Office of Law Enforcement and Security (OLES) recommendations to support and fund 6 State Staff Ranger positions. These six positions will complete the Bureau’s law enforcement reorganization plan that resulted from the Secretary of the Interior’s 2002 Law Enforcement Directives. These positions will result in better coordination of law enforcement efforts between other federal, state and local agencies, as well as with Field Office Managers responsible for Ranger supervision. The request includes a reduction of a 2006 Congressional add-on of \$1.2 million for law enforcement in specified NLCS units.
- **Departmental Working Capital Fund:** The BLM is requesting an increase of \$1,050,000 in additional funding for the Departmental Working Capital Fund. This funding increase is for the bureau’s share of costs for enterprise systems and services.
- **Wildland Fire Management:** The budget request includes a \$26.3 million increase for Suppression Operations which will enable the program to respond to an average level of wildland fire guided by actual costs of the most recent ten years.
- **Indian Settlement Funding:** The budget request includes \$200,000 to implement a portion of the land and water claim settlement with the Nez Perce Tribe. As part of the settlement, BLM is required to make a payment of \$200,000 to local governments.
- **Land Acquisition:** The budget includes \$8.7 million for land acquisition, an increase of \$113,000 from the 2006 enacted level. This will fund eight projects in six states.

Decreases:

- **Information Technology Reduction:** Information Technology Reduction: The budget request includes a reduction of \$9.4 million for IT investments, and an increase of \$1.0 million, to be used for BLM’s support of the Department’s Land and Resource Management System (DLRM). The net reduction will be \$8.4 million. Of the net reduction, a reduction of \$2.3 million will be the result of reducing enhancements and upgrades of systems that will eventually be replaced through Department-wide systems, such as the DLRM. For example, some functions of the Rangeland Improvement Project system will be covered by DLRM, and BLM will reduce some Operations & Maintenance (O&M) costs in 2007.

A reduction of \$4.5 million will be possible through changes to infrastructure projects. New updated technology in the areas of Local Area Network (LAN), Wide Area Network (WAN), Software engineering, Narrowband radios and Messaging & Collaboration has enabled the BLM to consolidate these projects into the Departmental system services. The consolidation of these LAN, WAN, Narrowband radios and Messaging & Collaboration projects have created greater opportunities for cost efficiencies to the Bureau and Department of the Interior. Therefore, the \$4.548 million in reductions reflect improved service and cost effectiveness through new technology.

Integration of the Departmental Architecture and the Capital Planning functionality through the electronic Capital Planning and Investment Process (eCPIC) is underway, and therefore some Bureau Architecture and Capital Planning processes can become aligned with the Departmental Architecture and Capital Planning Process. BLM proposes to reduce architecture and capital planning funding in 2007 because more of these tasks are handled by the Department. This reduction of \$500,000 translates into cost savings and efficiencies by eliminating redundant systems and services that are provided by the Department.

These reductions are taken from the Information System Operations, Land and Resource Information System, and other subactivities that contribute to these IT systems.

In 2007, the Information Technology program will evaluate the overall IT program, and look for opportunities to institute process improvements to all areas of the IT program. These process improvement assessments along with cost saving and efficiencies from the \$8.4 million in spending reductions will form a baseline for future improvements to the IT program. Performance standards, measures, and program evaluation specifications, will also be a baseline for future improvement to the IT program.

- **Program Oversight & Administration:** The budget request includes a \$2.5 million reduction in program oversight and administration in the Washington Offices and National Centers. In 2007, BLM will reduce funding in Washington Offices through position management and other efficiencies. In order to achieve additional cost savings, the BLM is in the final stages of reviewing functions in the National Service Centers, which provide technical services to the State, Field and Washington offices. Through the review, BLM is evaluating a realignment of technical support functions. BLM expects to implement many of these changes in the third and fourth quarter of 2006, and expects to realize cost savings of at least \$2.5 million in 2007.
- **One-Time Congressional Additions:** The budget proposes a total reduction of \$10.011 million for various one-time Congressional add-ons.
- **Wilderness Management Program:** The budget proposal reduces the Wilderness Management program by \$500,000. Deferring boundary surveys of wilderness areas will account for approximately one-half this reduction. Reductions in funding for training and wilderness monitoring will account for the balance of the reduction.
- **Alaska Minerals Program:** The budget proposes elimination of the Alaska Minerals program, a \$2.3 million reduction, as the mineral survey function is more appropriate for State and other entities.
- **Abandoned Mine Lands Program:** The budget proposes a reduction of \$1.0 million in the Abandoned Mine Lands program, leaving \$9.0 million for high priority projects.
- **Alaska Conveyance Program:** The budget proposes a decrease of \$5.0 million to the Alaska Conveyance program, partially reducing a 2006 program increase. The requested funding level will be consistent with the request in the 2006 President's budget request.

- **Wildland Fire Management:** The budget proposes a \$10.0 million reduction for Hazardous fuels reduction projects, however available funding will be directed to the highest priority mitigation activities and treatments. The budget also proposes a \$9.9 million reduction for the Rural Fire Assistance program. The overall Wildland Fire Management program will instead focus on supporting the most important critical priorities - wildland fire preparedness, fire suppression funding, and hazardous fuels reduction.
- **Construction Program:** The budget includes \$6.5 million for the Construction program, the same as the 2006 request and \$5.3 million less than the 2006 enacted. The request will fund 12 projects.
- **Acquisition Management -** The 2007 budget request is \$1,567,000, a decrease of \$732,000, which is due to the reduction of the number of land purchase proposals and fewer parcels associated with each proposal, submitted in the President's Budget.
- **Elimination of Range Improvements Fund:** The request does not include a request for an appropriation from the Range Improvement Fund. The Administration will submit legislation to amend the Federal Land Policy Management Act to direct that the 50 percent of grazing fee receipts currently deposited in the Range Improvement fund (i.e., the Federal share of such receipts), be deposited in the general fund of Treasury for deficit reduction. The budget assumes that grazing regulations to be promulgated in 2006 will provide that the BLM and a grazing permittee or lessee (or other cooperating party) will share title to future range improvements - permanent structures such as fences, wells, or pipelines - if they are constructed under what is known as a Cooperative Range Improvement Agreement, as was allowed prior to 1995. The regulations should encourage grazing permittees to take on more of the cost of constructing range improvement projects.

Other Budget Changes:

- **Federal Land Transaction Facilitation Act:** The Administration will propose legislation to amend BLM's land sale authority under the Federal Land Transaction Facilitation Act (FLTFA). The legislation will both expand the public lands available for disposal under FLTFA and change the distribution of the proceeds of those sales. Under the Act, BLM is currently limited to selling lands identified for disposal in land-use plans that were in effect prior to the enactment of FLTFA, and makes the proceeds available for the acquisition of other non-federal lands within specially-designated areas such as national parks, refuges, and monuments. The 2007 budget proposes to amend FLTFA to: allow BLM to use updated management plans to identify areas suitable for disposal; allow a portion of the receipts to be used by BLM for restoration projects; return 70 percent of the net proceeds from the sales to the Treasury; and cap receipt retention by the Department at \$60 million per year. This proposal will minimize the amount of Federal spending not subject to regular oversight through the appropriations process and will ensure that taxpayers directly benefit from these land sales.
- **Secure Rural Schools:** The Budget underscores the President's commitment to States and counties impacted by the ongoing loss of receipts associated with lower timber harvests on Federal lands in the Pacific Northwest and elsewhere by including funding for a five year extension of an amended Secure Rural Schools and Community Self Determination Act. Payments under the amended Act will be targeted to the most

affected areas, adjusted downward over time, and eventually phased out. The Budget would provide these payments in a fiscally responsible manner by offsetting costs through the sale of land parcels that meet criteria identified in existing national forest plans as suitable for conveyance because they are isolated or inefficient to manage. The sale and resulting development of these excess lands could increase the State and county tax base. Additionally, the sale would free up resources that could be more effectively targeted to higher-priority lands.

- **Energy and Minerals Revenues:** The budget assumes continuation for 2007 of the funding for pilot offices from oil and gas rental receipts as provided by Section 365 of the Energy Policy Act of 2005. The budget proposes, however, that the oil and gas program transition from this funding source to a source of funding from APD processing fees, effective September 30, 2007. The BLM will promulgate a new rulemaking to phase in full cost recovery from APDs, beginning with a fee amount that will generate an estimated \$20.7 million in 2008, fully replacing the amount provided by the Energy Policy Act. The proposed increased reliance on cost recoveries is consistent with the findings of previous Inspector General Reports and the 2005 PART review of BLM's energy and minerals program, which found that the program does not adequately charge identifiable users for costs incurred on their behalf.

The budget also assumes repeal of a provision in Section 224 of the Energy Policy Act of 2005 which provides 25 percent of geothermal leasing revenues to the county within which production occurs, resulting in a total state/county revenue share of 75 percent of geothermal revenues. This formula is inconsistent with the normal 50 percent share of mineral leasing revenue which is paid to the Treasury. The budget assumes repeal of the related provision (Section 234) which provides the federal portion of geothermal revenues to the Secretary of Interior for the purpose of implementing the Geothermal Steam Act of 1970. In 2006, these revenues are estimated at \$2.7 million. Beginning in 2007, the revenue would be returned to the Treasury.



BLM Ranger at Lake Havasu, Arizona

The Budget and Strategic Plan

2007 Budget Proposal and the Relation to the Strategic Plan

The request includes a number of major funding changes in order to best implement the mission goals of the Department's Strategic Plan and continue the BLM's emphasis on the four priority areas and Management Excellence. In determining which program areas to emphasize the BLM applied several key principles:

- Cost and performance data for programs were evaluated in developing this proposed budget.
- All of the proposed budget changes are directly tied to each of the Strategic Plan mission goals, and the impacts of the proposed budget changes on these goals.
- The proposed budget builds on the lessons learned from cost management.
- Funding resources are directed to current priority needs rather than creating new obligations and responsibilities.

The BLM's 2007 budget request focuses on implementing the Department of the Interior Strategic Plan, the President's Management Agenda, Program Assessment Rating Tool evaluations, and the Secretary's Plan for Citizen-Centered Governance. The Bureau request continues to support priorities highlighted in the recent budgets, including implementation of the President's National Energy Policy, the Healthy Forest Initiative and preparation of travel management plans for recreation areas. The 2007 request is \$1,003 million in appropriated funds, and includes an increase of \$25.4 million to facilitate domestic energy development, consistent with the goals of the recently enacted Energy Policy Act, and to address energy needs on the North Slope of Alaska. The request also includes an increase of \$3.0 million to increase timber production in Western Oregon, and \$3.0 million to enhance BLM's capability to protect its nationally renowned cultural and natural heritage resources. The request total also includes an increase of \$21.56 million for uncontrollable costs to avoid loss of current performance capabilities.

These high priority funding increases are partially offset by reductions to lower priority programs and activities, including a decrease of \$10.011 million that eliminates or reduces many 2006 one-time Congressional funding increases.

The following table compares the 2005 and 2006 enacted levels with the 2007 BLM budget request by mission goal.

**Bureau of Land Management Goal Matrix
(not including Wildland Fire)**

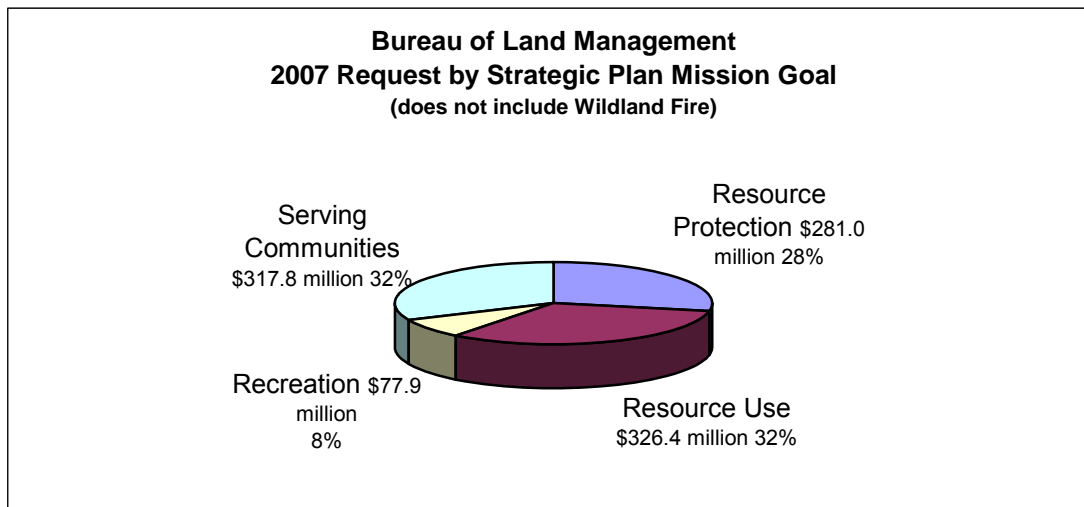
\$ in thousands

Strategic Plan Goal	2005 Enacted*	2006 Enacted	2007 Request	2007 Change
Resource Protection	\$286,467	\$289,426	\$281,059	-\$8,367
Resource Use	\$315,809	\$300,362	\$326,432	\$26,070
Recreation	\$73,493	\$82,305	\$77,924	-\$4,381
Serving Communities	\$316,533	\$326,766	\$317,885	-\$8,881
Total	\$992,302	\$998,859	\$1,003,300	\$4,441

**For comparison purposes, 2005 enacted does not include the Central Hazardous Materials Fund, which was transferred to the Department in 2006.*

Every BLM activity is coded to one of approximately 200 program elements; each program element maps to one of the outcome goals that correspond to the four Strategic Plan mission goals shown in the table above. Therefore all funding is linked to one of the four Strategic Plan mission goals. The BLM Funding Goal Table in the General Statement Attachments shows each increase and decrease in the 2007 Budget request by mission goal and outcome goal.

The following shows the percentage of BLM's budget request by Strategic Plan mission goal.



The budget request is discussed below in terms of the four Strategic Plan mission goals.

Mission Goal 1: Resource Protection

Maintaining and restoring the health of BLM-administered lands continues to be of paramount importance to the BLM, in order to meet the Department's Resource Protection mission goal. Healthy lands are more resilient to environmental fluctuation and disturbance, and can better sustain resource use and recreation. Effective restoration requires complex, multi-faceted actions that may include investments in land treatment, and project construction and maintenance. Because knowing the existing condition of public lands is critical to implementing appropriate treatment schemes, inventorying resources is a major component of the Resource Protection Mission Area.

While working to achieve the Resource Protection mission goal, the BLM will continue to promote citizen-based stewardship of the public lands. Resource managers will look for opportunities to work with ranchers, conservationists, and other partners to achieve healthier western rangelands while providing for sustainable resource uses. Initiatives the BLM has undertaken emphasize the use of partnerships to restore and protect the resources. Through the Challenge Cost Share (CCS) program the BLM will be able to leverage additional resources to benefit the public lands.



Hayden Creek, in Western Oregon, several years after a successful streambed restoration project.

The Resource Protection mission goal has three outcome goals, as shown in the funding table below. Each outcome goal is discussed separately.

Resource Protection Mission Goal Funding

Resource Protection (\$ in thousands)	2005 Enacted	2006 Enacted	2007 Request	Change
	\$135,270	\$142,401	\$131,441	-\$10,960
PEO.2 - Sustain biological communities	\$83,250	\$82,870	\$82,681	-\$189
PEO.3 - Protect cultural and natural heritage resources	\$67,677	\$64,155	\$66,937	\$2,782
Total	\$286,467	\$289,426	\$281,059	-\$8,367

Note: Does not include Fire or Central Hazardous Materials

Improve health of watersheds, landscapes, and marine resources: BLM-administered watersheds are subject to a wide variety of environmental stresses. In some cases, it may be impossible to restore the lands to their previous resiliency and diversity; in others, decades may be required to demonstrate any substantial progress. Some of the most challenging areas for the BLM are wetlands and the regions adjacent to flowing or standing water, known as riparian

areas. The health of these areas is critical because riparian-wetland systems purify water, and many wildlife species depend upon the unique and diverse habitat niches offered by these regions. Several BLM programs contribute to improving the watershed and landscape health.

The reduction shown for the Improving the Health of Watersheds, Landscapes and Marine Resources outcome goal is primarily due to the elimination of the Range Improvement Fund. Although these funds are reduced, the budget assumes that new grazing regulations will provide an incentive for permittees to invest in range improvements, thereby reducing the need for appropriated funds for this purpose. These additional funds should make up for a portion of the range improvement funds.

Sustain biological communities: Bureau of Land Management-administered public lands are vast and rich in biological diversity. They include approximately 182 million acres of habitat for big game, 213 million acres of small game habitat, and 30 million acres of waterfowl area. In addition, the BLM administers vast aquatic areas, including almost 2.9 million acres of lakes and reservoirs, and more than 116,000 miles of fishable streams. These areas contain a wide variety of life, from rare native species such as desert pupfish, to endangered species such as steelhead and Chinook salmon.

Several BLM programs support the Sustain Biological Communities outcome goal. For example, during the next few years, the BLM will focus its efforts to meet this outcome goal by restoring and conserving sagebrush habitat, which should help prevent the future listing of threatened, endangered, and sensitive plant and animal species, especially the sage grouse. BLM will also continue to work cooperatively with partners and other Federal and State agencies to develop baseline information, establish conservation strategies and treatments, and identify monitoring schedules to support populations listed as threatened or endangered under the Endangered Species Act.



A Challenge Cost Share project to restore nesting habitat for the Western Snowy Plover, a species listed as threatened under the Endangered Species Act. The dozer is using a ripper attachment remove exotic, invasive European beach grass from 170 acres of a Habitat Restoration Area on the North Spit of Coos Bay, a BLM-managed area on the Oregon Coast.

One of the greatest obstacles to achieving ecosystem health on BLM lands is the rapid expansion of invasive plants, which can dominate and cause permanent damage to natural plant communities if not eradicated or controlled. Currently, the resources available to combat weed infestations dictate a containment strategy, and actions will continue to be targeted at preventing the spread of weeds into the most vulnerable areas. Containing weed infestations meets the outcome goal to sustain biological communities.

Protect cultural and natural heritage resources: The public lands administered by the BLM contain exceptional geologic formations; wild free-roaming horse and burro herds; wild and scenic rivers; and innumerable paleontological, archaeological, and natural history sites. The BLM is caretaker of the largest, most diverse, and most scientifically important body of heritage resources in North America. These resources represent a significant part of the Nation's natural and cultural heritage. Protecting these cultural and natural heritage resources is an important part of BLM's mission and helps meet the Cultural and Natural Heritage outcome goal.

The Wild Horse and Burro Management program is an important element to meeting this outcome goal because overpopulation of wild horse and burros has a detrimental impact on the public land resources.



BLM and other law enforcement personnel conducting an Archeological Resources Protection Act investigation.

The Cultural Resources Management program also fulfills this outcome goal. In 2007, the budget request includes an increase of \$3,000,000 for a new initiative to improve the protection, preservation, access to, and interpretation of public land cultural resources to enhance their economic, scientific, cultural, and educational value to all Americans. This new initiative is called "Enduring Legacy." The new initiative will include projects to stabilize and physically protect sites appropriate for heritage tourism; increase protection and monitoring of cultural heritage sites, and conduct two heritage tourism workshops. Most of this work will be accomplished using partners and

volunteers, although contractors will be used where specialized expertise is required. A funding decrease of \$500,000 in the wilderness program, increases for uncontrollable costs, and a decrease for administrative and information technology improvements, bring the total increase in funding relating to the Cultural and Natural Resources outcome goal to \$2,782,000.

Mission Goal 2: Resource Use

The public lands under the BLM's jurisdiction provide a myriad of opportunities for commercial activities. Marketable natural resources include energy and mineral commodities, forest products, and grazing forage. BLM's management of these resources contributes to the Department's Strategic Plan mission goal of Resource Use and the associated outcome goals that make up the Resource Use mission goal. The Resource Use mission goal has five outcome goals, as shown in the funding table below. Each outcome goal is discussed separately.

Resource Use Mission Goal Funding

Resource Use (\$ in thousands)	2005 Enacted	2006 Enacted	2007 Request	Change
UEO.1 - ENERGY - Manage or influence resource use to enhance public benefit, promote responsible use, and ensure optimal value	\$150,504	\$149,061	\$171,395	\$22,334
UEO.2 - NON-ENERGY – Manage or influence resource use to enhance public benefit, promote responsible use, and ensure optimal value	\$22,802	\$26,036	\$26,134	\$98
UEO.3 - FORAGE - Manage or influence resource use to enhance public benefit, promote responsible use, and ensure optimal value	\$62,350	\$72,004	\$72,334	\$330
UEO.4 - FOREST PRODUCTS - Manage or influence resource use to enhance public benefit, promote responsible use, and ensure optimal value	\$80,153	\$50,527	\$53,835	\$3,308
UEO.5 - Deliver water in environmentally responsible & cost efficient manner	\$0	\$2,733	\$2,733	\$0
UEO.6 - Generate hydropower in environmentally responsible & cost efficient manner	\$0	\$0	\$0	\$0
Total	\$315,809	\$300,361	\$326,432	\$26,070

Note: Does not include Fire or Central Hazardous Materials

Energy – Manage for Public Benefit, to Promote Responsible Use, and Ensure Optimal Value: The BLM's Oil and Gas Management program plays a major role in the implementation of the President's National Energy Policy and the newly enacted Energy Policy Act. This program contributes to the Energy end outcome goal of the Resource Use mission goal. The 2007 budget request contains an increase of \$25.4 million to implement the President's National Energy Policy and the Energy Policy Act, including energy related activities on the Alaska North Slope, processing applications for permit to drill, conducting inspections, and supporting oil shale development. BLM will also continue to lease public lands for energy development, and develop renewable energy resources on the public lands. BLM also processes the right-of-way applications necessary for energy development on public lands. Right-of-way grants are issued to companies to use public lands for roads, pipelines, transmission lines, and communication sites.

The total increase of \$22.3 million for the Energy end outcome goal includes the requested increase of \$25.4 million for implementation of the President's National Energy Policy and the newly enacted Energy Policy Act, a decrease of \$2.6 million for the Alaska Minerals program, an increase for uncontrollable costs and a decrease for information technology and administrative improvements.

Non-Energy Resources - Manage for Public Benefit, to Promote Responsible Use, and Ensure Optimal Value: The public lands under the BLM's administration are the source of a number of important non-energy mineral resources, including potassium, phosphorus, sodium

(trona), potash, lead, and zinc, as well as the sand, gravel, and rock used in construction. This program processes leases and permits for non-energy solid leasable minerals, and provides mineral materials for roads, pipelines, powerlines and drill pads, through the sale or permitting of these materials. Providing these non-energy materials meets the Department's Non-Energy outcome goal and is a crucial component for meeting other outcome and mission goals, because these materials are needed to provide the infrastructure for the exploration, development and production of conventional and renewable energy resources. In addition, by providing mineral materials for roads and other infrastructure, this program supports the access which is needed to effectively manage and support other land management activities such as activities such as managing rangelands and forests to achieve healthy and productive watersheds, and protecting cultural and natural heritage resources.

Forage - Manage for Public Benefit, to Promote Responsible Use, and Ensure Optimal Value: The Rangeland Management program contributes approximately \$72 million to the Forage outcome goal of the Resource Use mission goal. The BLM manages 214 million acres of rangeland ecosystems on a landscape basis and considers the interrelationships of living organisms, the physical environment, and landscape characteristics. Improving the vegetative habitat and rangeland health of public land ecosystems is beneficial for livestock as well as fish and wildlife habitats. The BLM's successes thus far in increasing the percent of rangelands attaining appropriate land conditions can be partially attributed to collaborative relationships with other federal agencies and stakeholders, including the Society for Range Management, State land grant colleges, the Natural Resources Conservation Service, and the U. S. Forest Service. In addition, BLM encourages private parties and other beneficiaries to contribute funds toward upgrading rangelands and to shift project maintenance responsibilities to the benefiting user.

Forest Products - Manage for Public Benefit, to Promote Responsible Use, and Ensure Optimal Value: BLM manages 55 million acres of forest and woodland under the principles of multiple use, sustained yield, and protection of environmental quality. Management of these lands supports the Forest Products outcome goal. Decisions about land use for recreation, aesthetics, water quality, and wildlife habitat, as well as timber and other forest biomass production, are made with an emphasis toward sustaining biological diversity and the long-term health of the land. In addition, the forest lands in western Oregon are managed under the Northwest Forest Plan, which emphasizes restoration of wildlife and fisheries habitat, and a scientifically sound, environmentally responsible, and sustainable level of timber sales. This includes thinning of young stands in late-successional reserves to accelerate the attainment of late-successional and old-growth characteristics.

The 2007 BLM budget will generate increased timber production with a \$3.0 million increase in the Oregon and California Forest Management program that supports the commitments of the settlement agreement in the lawsuit *American Forest Resource Council v. Clarke*, which directs BLM to produce the allowable sale quantity of 203 million board feet and an additional 100 MMBF by thinning late-successional reserves. The increase will enable BLM to continue to ramp up toward the commitment level of 303 MMBF by 2009. BLM will use stewardship contracts to build capabilities in local communities for restoring forests and woodlands, while producing an estimated 7 million board feet of forest products. The



Logging operation in Western Oregon

stewardship contracting effort should provide job opportunities in local communities and stimulate the development of markets for the small-diameter wood byproducts and the growing biomass industry, thus contributing to the Forage outcome goal.

Mission Goal 3: Recreation

Recreation and leisure activities are a major part of the lifestyles of millions of Americans, as well as international visitors. The BLM-administered public lands and waters offer a vast array of recreational opportunities, from hunting and camping, to tours of natural and cultural heritage sites. In 2005, there were 52.9 million visits and 66.7 million visitor days of recreational use on BLM public lands. Even under conservative projections, visits could increase by three percent each year, resulting in use levels of 61.3 million visits and 77.3 million visitor days by 2008. More accessible areas may experience a 10 percent or more increase in visitation each year. The BLM's long-term objective under this mission goal is to provide better access to high-quality recreation opportunities at a cost that is fair to visitors and taxpayers. Funding contributing to the two outcome goals is shown below, and each outcome goal is discussed separately.

Recreation Mission Goal Funding Table

Recreation (\$ in thousands)	2005 Enacted	2006 Enacted	2007 Request	Change
REO.1 - Provide for a quality recreation experience, including access, and enjoyment of natural and cultural resources on DOI managed and partnered lands and waters	\$64,006	\$62,243	\$57,662	-\$4,581
REO.2 - Provide for and receive fair value in recreation	\$9,486	\$20,062	\$20,262	\$200
Total	\$73,493	\$82,305	\$77,924	\$4,381

Note: Does not include Fire or Central Hazardous Materials

Provide a quality recreational experience, including access and enjoyment of natural and cultural resources: The BLM provides access to public lands appropriate to the character of recreation settings within which it occurs. A balanced array of visitor services—including information and education, marketing and promotion, and interpretation—are also provided both to support recreation management actions and to inform customers about recreation opportunities and their appropriate use.

Collaborating with other support service providers within adjoining host communities, the BLM engages local governments and recreation-tourism businesses and industry as managing partners. Together, they cooperatively promote greater awareness of recreation opportunities; maintain roads, trails, and other required supporting infrastructure; and monitor customer attainment of targeted recreation outcomes, the sustainability of prescribed recreation setting character, and the collaborative implementation of planned management and marketing actions.

These community-based partnerships ensure public health and safety by constraining site and facility development and access; they "fit" both the character of recreation settings and targeted experience and other quality of life outcomes. This collaborative enterprise fosters mutual accountability among the BLM and its community partners, helps ensure an adequate law enforcement presence, and provides an on-site management presence appropriate to the

specific kinds of recreation opportunities targeted for each specific management zone within all special recreation management areas.

Funding changes between 2006 and 2007 are due to an increase of \$1.05 million for uncontrollable costs for recreation program in the Management of Land and Resources and Oregon and California Grant Lands accounts, a decrease of \$2.9 million in one-time Congressional add-ons in recreation programs, a decrease of \$1.9 million in the construction program that would have primarily benefited recreation activities, and a total decrease of \$870,000 for IT and organizational improvements in both the Management of Land and Resources and Oregon and California Grant Lands accounts.

Provide for and receive fair value in recreation: The BLM provides for and receives fair value and return from recreation through leasing commercial services and other use authorization permits, and developing collaborative partnerships with business, industry, and local governments within gateway communities. These community-based partnerships expand the scope of permit and fee management to jointly manage permits with recreation-tourism businesses and local governments, wherever feasible and appropriate. This facilitates splitting the user-fee revenue stream to contribute to essential local government infrastructure maintenance capacity, and sustain the delivery of support services to the partnership's shared customers.



BLM Ranger at an overlook near Moab, Utah

consequent recreation resource, facility, and visitor management, marketing, and monitoring actions contribute to, rather than detract from, sustainable recreation-tourism use and development. The end result is gearing recovery of fair value and the promotion of quality services to support the specific recreation experiences and benefits and maintain the specific recreation setting character conditions desired by a more broadly-based constituency of customers.

Within this context, the BLM and its managing partners encourage only those user and interest group partnerships and volunteer projects which directly support planned actions, outputs, and outcomes. This repositions the BLM's current user and interest group partnerships to be more broadly focused on community collaboration and the implementation of land use and other recreation plans those collaborative efforts produce. It also ensures that all

The requested increase of \$200,000 in this goal area is for fixed costs.

Mission Goal 4: Serving Communities

The BLM protects people and property from hazards associated with the BLM's land management programs, and fulfills the government's Indian trust responsibilities. To achieve these goals, the BLM collaborates with many constituents, applying the Secretary of the Interior's Four C's Vision: "Conservation through Cooperation, Consultation, and Communication." The outcome goal for Serving Communities mission goal that is relevant to the BLM is the Protect Lives, Resources and Property outcome goal.

Serving Communities Mission Goal Funding Table

Serve Communities (\$ in thousands)	2005 Enacted	2006 Enacted	2007 Request	Change
SEO.1 - Protect lives, resources and property	\$323,345	\$326,766	\$317,885	-\$8,881
Total	\$323,345	\$326,766	\$317,885	-\$8,881

Note: Does not include Fire or Central Hazardous Materials

Protect lives, resources and property: Public lands are not immune from criminal activities that threaten resources and the health and safety of visitors. With the growth of communities in areas that are adjacent to public lands, illegal activities and unauthorized use of land will continue to flourish. To ensure that visitors have safe and positive experiences, BLM rangers and special agents maintain a capability for providing public assistance and responding to illegal activities. The BLM uses administrative, civil, and criminal enforcement remedies to hold violators responsible and to recover compensation. The BLM also engages in hazardous material response actions, site evaluations, and prioritization of cleanups. The BLM works with the Environmental Protection Agency, local environmental departments, and potentially responsible parties to fund and expedite the cleanup of hazardous sites. BLM prioritizes sites that are an imminent threat to public health and safety, as well as those sites that can generate penalties and fines.

These activities contribute to the Protect Lives, Resources and Property outcome goal. BLM will spend \$317.9 million on this outcome goal in 2007, a decrease of \$8.9 million, due primarily to removal of one-time congressional additions.



Prescribed burn for restoration of the Whitetail watershed in Montana.

President's Management Agenda

Strategic Management of Human Capital

BLM continues to make strides in implementing the President's Management Agenda. A comprehensive workforce plan was completed in 2003 for the organization. This Plan has been updated through a programmatic review in 2005. The enactment of the Energy Policy Act and long-term strategic planning, organizational, and programmatic considerations require a major revision of the BLM Workforce Plan during 2006. This Plan will fully integrate the Energy Policy Act, the DOI Strategic Plan, and the Bureau budget assumptions for the years 2007-2011 into the strategic human capital planning effort. The plan will review the BLM program outcomes projected through 2011 and identify the workforce (federal, contracted or volunteer) competencies (skills, knowledge and abilities) needed to deliver the identified outcomes. The workforce planning effort is aimed at ensuring the BLM has "the right people with the right skills in the right locations at the right time" to successfully accomplish mission requirements. The workforce plan will identify tools and strategies the Bureau may need to implement to strategically align the workforce with the workload.

The BLM 2007-2011 Workforce Plan will be in compliance with guidance from both OPM and DOI. This Workforce Plan will specifically analyze and address the workforce needed to deliver the following areas:

1. **Mission Changes** – BLM has very clearly defined the critical mission priorities: 1) Contributing to the domestic energy supply; 2) managing forests and rangelands to achieve healthy watersheds, thriving communities and economics; 3) provide dispersed recreational opportunities on the Nation's public lands; 4) protecting cultural and natural heritage resources; and 5) sound business practices.
2. **Workload Analysis** – The Workforce Plan will be aligned to the expected workloads in mission critical areas for the time period 2007-2011. The workload analysis will be developed in the field offices with support from the Washington Office.
3. **Skill Needs** – The BLM is committed to implementing the Administrations long-term strategy to produce traditional sources of energy on Federal land in an environmentally responsible way, and increase renewable energy production on Federal land, involving all interested persons in a careful and open process to meet the Nation's needs while protecting sensitive resources for future generations. Complexity of analysis and mitigation of impacts (such as those to listed species, reclamation of rangelands, and cultural resources) from permitted uses has also increased proportionally. The BLM will continue to shape its workforce to meet these demands.
4. **Loss Analysis** – The workforce will continually be evaluated for potential attrition, particularly through retirement. The table below portrays the current potential risk for losing workers based on retirement eligibility.

Eligible to Retire					
Series	% Eligible	Series	% Eligible	Series	% Eligible
0023 Rec Plan	31.3%	0391 Telecom	41.3%	10XX Public Aff	31.7%
0028 Envir Spec	47.0%	041X NRS	40.9%	110X Purchase	32.2%
019X Arch	30.4%	045X Range	19.6%	117X Realty Spec	48.6%
021X Personnel	36.7%	046X Forestry	41.7%	131X Science	42.4%
0260 EEO	32.3%	0470 Soil Scientist	53.1%	1350 Geologist	47.2%
031X Clerical	28.5%	048X Biology	24.1%	1370 Carto	24.2%
033X Comp Spec	30.0%	05XX Finance	34.4%	1373 Survey	31.4%
0340 Manager	58.7%	08XX Engineering	36.5%	18XX I&E	41.7%
034X Mgmt Assist	42.5%	096X LLE	39.8%	Other	38.1%

5. **Training and development** information will be required input within the performance assessment framework. This information will be used to identify the critical mission competencies and amount of training that will be required for employees. Training will be targeted so employees have the necessary skills to perform adequately in specific job functional areas, such as planning, environmental coordination, or allotment management.
6. **Knowledge Management** – The Bureau has identified positions where a loss of the current employees would pose a long term risk of losing critical skills and knowledge that would have a serious impact on mission accomplishment. The Bureau is working to develop strategies to capture this knowledge prior to employee retirements.
7. **Student Career Experience Program Recruitment (SCEP)** – The SCEP recruitment information was extremely helpful in designing the scope and breadth of the program and integrating student programs with projected skill and knowledge needs. This will be a key strategy for recruiting and developing individuals to replace employee losses.
8. **Manager Succession** – The BLM completed a leadership succession plan in 2005 which focuses on 11 key leadership positions located in the Washington, State, Field Offices and Centers encompassing 252 incumbents of whom approximately 146 will reach retirement eligibility on or before the year 2009. It identifies strategies to begin to develop employees early in their career for supervisory and management positions. These strategies will be brought forward into the workforce planning document.
9. **Competitive Sourcing** - President Bush has challenged agencies throughout government to improve service to the public, and to accomplish their work in the most cost-effective way. The current BLM FAIR Act inventory identifies approximately 5,300 full-time equivalent positions located across the country that are performing activities also provided by commercial enterprises.

Competitive Sourcing

President Bush has challenged agencies throughout government to improve service to the public, and to accomplish their work in the most cost-effective way. Under the Federal Activities Inventory Reform (FAIR) Act, Federal agencies are directed to annually inventory all work activities performed by their employees, and to determine how many of those activities are “commercial” and how many are “inherently governmental.” OMB, in turn, is required to consult with each agency regarding its inventory. Upon completion of this review and consultation, the agency must transmit a copy of the inventory to Congress and make it available to the public. The current BLM inventory identifies approximately 5,300 full-time equivalent positions located

across the country that are performing activities also provided by commercial enterprises. This is approximately (1,600) more than identified in previous years, largely a result of more closely aligning BLM inventory with OMB guidance on how positions should be classified. About 1,700 of the FTE identified as “commercial” in nature have been coded as Reason Code A (inappropriate for private sector performance) a category used only on a limited basis in the past.

The OMB issued a memorandum on December 22, 2003, requiring agencies to submit Green Plans that address all Reason Code B commercial activities in the FAIR Act inventory. The OMB defines a commercial activity as a function, either contracted or government-operated or managed, that provides a product or service obtainable from a private commercial source. Competitive sourcing studies focus on determining who can provide quality service at the best value to the government’s customers. These studies compare quality and costs of BLM’s in-house capability to those available from non-Federal providers.

In 2003, the BLM conducted 46 Express Reviews involving 217 Full Time Equivalent (FTE) positions and one standard study involving 174 FTEs on the commercial activity that includes maintenance, repair, alteration, and minor construction of real property. Study support contracts for the 46 Express Reviews BLM conducted in 2003 cost \$547,000. Study support contract costs for the full study in Oregon/Washington were about \$405,000. Funding for these studies was provided out of base resources within the annual maintenance subactivity, and represents an investment in future long-term savings and program effectiveness. The Government has achieved savings of \$726,156 as a result of its direct conversions of 46 FTEs in 2002 and 2003. Additionally, BLM estimated \$1.8 million annual savings in labor and equipment efficiencies from implementation of the Most Efficient Organization of the maintenance activities in Washington and Oregon. The total estimated savings over the next 5 years, beginning in 2005, was \$9.0 million. Actual savings for the first year was actually higher than estimated – closer to \$2.4 million.



Repair of failed culverts, such as this one on a BLM road in Western Oregon, is an important function of the annual maintenance program.

In 2004, the BLM conducted a streamlined study involving 12 FTEs in the Mapping activity at the National Science and Technology Center in Denver, which should result in annual savings of \$420,000. For 2005, the BLM received \$570,000 for contract study support and national program manager support. This funding allowed the BLM to continue a performance based contract for a national competitive sourcing program manager and expert consultant services that contribute to BLM’s FAIR Act inventory preparation. The funds also supported the completion of a streamlined study on the BLM National Sign Center and feasibility reviews on the BLM

Recreation Program and the BLM Remote Automated Weather Stations.

Improving Financial Performance

The BLM has demonstrated a strong record in financial management by receiving eleven consecutive unqualified “clean”, financial audit opinions. Key to the BLM’s success has been the availability of timely and accurate financial information made available to all employees through the Bureau’s Management Information System. The ability to link budget and performance through cost management and to access financial data in real time has fostered a BLM-wide ethic of fiscal accountability. The BLM has also met or exceeded its goals under the Prompt Payment Act, as well as its goals to reduce or eliminate erroneous payments.

In 2007, as in 2006, the BLM will emphasize and assure:

- Adequate internal controls on BLM financial systems;
- Compliance with accounting standards (Federal Accounting Standards Advisory Board);
- Accountability for undelivered order funds;
- Compliance with fiscal laws and regulations;
- Proper accounting, management, and maintenance of capital assets;
- Complete quarterly financial statements, including intra-governmental eliminations;
- Improved electronic data processing; and
- Financial accountability at all levels of the organization.

Expanding Electronic Government

With the growth of the Internet and use of personal computers in over 75 percent of all homes in the United States, expectations of BLM employees, citizens, and businesses that conduct transactions with the BLM have changed significantly. Customers are simply seeking the best information and service delivery possible in the fastest possible time. To assure that the BLM is maximizing its investments to meet these expectations, the agency has established an E-Government Portfolio. This portfolio consists of projects that provide either: 1) on-line data to public and other governmental agencies, also known as “Information Dissemination,” and/or 2) on-line transactional services to the public, also known as “Providing Services.”

Within the President’s proposed funding levels for the BLM’s E-Government Portfolio, the BLM will be able to implement such initiatives as:

- “Recreation One-stop” to ensure that public expectations about the availability of recreation information are met;
- “Geospatial One-stop”;
- “E-authentication,” to strengthen physical security at BLM facilities and to enhance logistical security to BLM systems;
- E-Travel;
- Support to the DOI “volunteer.gov” effort;
- Lines of business to identify opportunities to implement E-Government principles and solutions within proposed funding levels;
- BLM’s Revised Strategy for E-Government, which includes implementation of E-planning, E-Forms, Web Business Process Re-engineering Implementation, the BLM “Virtual Public Room,” and the Use Authorization System (previously known as the LR2000 Web Project).

Asset Management

During 2006, BLM will be implementing the Bureau-wide Real property Asset Management Program.

Real Property Asset Management Plan developed during 2005. A major part of the effort will be to continue the condition assessment program for government facilities on the public lands. The condition assessment program for administrative sites and recreation sites, including buildings, will be in the second year of a five-year program, or Round 2. This work includes both comprehensive and periodic condition assessments that are performed by a mix of government and contractor staff in order to gain program efficiencies. Baseline condition assessments for roads will be comprehensive and performed by contractors using a visual inspection methodology piloted during 2005. Condition assessments on trails, dams, and bridges, will continue during 2006.

All condition assessments will include the development of current replacement value and the calculation of facility condition index. The BLM will also continue to expand the use of capital planning and investment control for real property assets. The BLM's Investment Review Board will consider various prioritization methods, such as the facility condition index, health and safety impacts, and contributions to mission, when rating projects. Investment control will be extended beyond the Five-Year Plan for Deferred Maintenance and Construction to cover more generally the acquisition and creation of assets. Full use will be made of the business plans required by the BLM Real Property General Operating Procedures. It is the responsibility of each office planning or anticipating the acquisition of real property to develop a business plan that identifies the projected operations and maintenance costs of the property, both initially and in the future. Some examples of long-term costs associated with real property include security, maintenance, utilities, and depreciation.

Major emphasis will continue to be on improving the BLM's annual maintenance program in order to keep facilities in good repair and prevent additions to the maintenance backlog. The BLM will be using the results of annual maintenance unit cost-factor studies to develop estimates of resource requirements for use in budget formulation and in distributing funding to the field locations. This will better match the available funding with the number, size, type and location assets operated and maintained by BLM. In addition, the BLM will continue to use the Facility Asset Management System to support BLM's maintenance programs throughout the Public Lands.

Fleet Management – In 2004, the Department began a collaborative initiative to improve fleet management, developed a strategic plan, and began to implement recommendations from a review of the program conducted by the Office of Inspector General. The initiative focuses on economic-based strategies, including implementation of life-cycle replacement schedules, disposal of underutilized vehicles and vehicles that have surpassed their lifecycle, use of fleet performance measures, energy-saving practices and expanded use of alternate-fueled vehicles, and expanded leasing. The Department-wide strategy for improved fleet management includes migrating fleet management programs to a more standardized operational model that promotes energy-saving technologies, the development of fleet composition baselines and multi-year plans, improved performance metrics that address efficiency and effectiveness, vehicle and motor pool sharing, and purchase and lease arrangements that consider seasonal workforces.

On an annual basis, Interior spends over \$160.0 million to operate and maintain its fleet of approximately 38,000 vehicles. Interior's improvement plan provides a goal for reduction to fleet

expenditures of \$11 million in 2005 and an additional \$3.7 million in 2006. For the third year in a row, the BLM has required detailed fleet plans from each BLM State office. The BLM has identified several fuel reduction strategies as part of its fleet plans. Initial numbers for 2004 indicate that, with the steps that were taken in 2004, fuel consumption has been reduced by 5 percent from 2003. The fleet plans as currently submitted indicate a potential fuel reduction of 17 percent in the next five years. The BLM is optimistic that further reductions in fuel consumption can be attained with the availability of hybrid sport utility vehicles and the expanded markets of ethanol and bio-diesel. Whenever possible, BLM's policy is to acquire more fuel-efficient vehicles, such as diesel, two-wheel drive and hybrid vehicles. In order to ensure a significant reduction in fuel consumption beginning in 2005, the BLM is establishing a standard that 20 percent of the long-term general purpose light-duty vehicles in each State or Center be two-wheel drive or hybrids. Further steps being considered by the BLM Fleet strategy team include encouragement of increased development of bio-diesel and ethanol 85 fuel dispensing facilities and increased accountability of fuel costs at the field office level.

Space Management – Annually Interior spends \$300.0 million to lease space from the General Services Administration and others. Because of the long-term commitment contained in most leases, savings from this initiative will accrue to a large degree in future years. The 2006 budget assumes initial savings of \$6.3 million. Recognizing the potential for improved effectiveness and efficiency in the management of space in the long-term, Interior and its bureaus are undertaking reforms in space management. These reforms, which are part of its Asset Management Plan under E.O. 13327, include a more centrally controlled process to manage space, multi-year planning to consolidate dispersed space and co-locate to promote interagency collaboration, and adoption of more equitable allocations of space that adhere to security and safety and health standards. Long-term benefits are expected to result from Interior's space management reform, which will utilize best practices now in place. Multi-year plans will be used to focus on improved effectiveness and efficiency in supporting bureau missions and guide future lease arrangements and the use of owned space in order to maximize consolidation and co-location. By strategically analyzing and planning space management needs and opportunities, the Department will also be able to consider workforce changes such as telecommuting, information technology solutions, and other factors in making future arrangements for facilities.

The Service First program has allowed the BLM to share rental costs with the Forest Service. All BLM State Offices annually update their Five-Year Statewide Space Plans which include a goal of collocating most BLM facilities with Forest Service or other Federal natural resource agencies where possible. The BLM portion will be based on 200 square feet of useable space per person based upon actual FTE located at the office.

Research and Development

The Department is using the Administration's Research and Development (R&D) investment criteria to assess the value of its R&D programs. Please see the "Research and Development" tab for a discussion of the Department's and Bureau efforts in the use of Research and Development Criteria.

Budget and Performance Integration

The President's Management Agenda calls on Federal agencies to better integrate performance measures into their decisions about budget allocations. The BLM's cost and performance data available in its Cost Management System is used as a principal means to integrate budget and

performance, and it is used in many other ways as well. BLM managers are able to understand the relationship between cost and workload; to forecast costs based on workload; to estimate accomplishments at different budget levels; to optimize operations by realigning workloads according to economies-of-scale; to understand what drives cost in the BLM and why; and to compare the cost of alternative actions. It provides program managers with information about the full and relevant costs of work processes and accomplishments and helps them answer the question “How much work are we getting for what we are spending?”

All work in the BLM is described in terms of program elements (the activity part of ABC). All labor and operational costs are charged to program elements. Describing work in terms of program elements allows the BLM to show purchasing power in terms of outputs. For example, the program element BK represents completed cadastral survey miles. In 2005 a total of 8,113 BK survey miles were completed for a total cost of \$49,012,897, and a per-unit-cost of \$3,682 per mile. The BK example shows full cost to the BLM but the program element data can also be displayed by individual office and by direct and indirect costs.

The ability to view data at all budget levels allows the BLM to compare individual location costs and prepare more accurate estimates for locations where demand may be increasing or decreasing. The demand for energy resulted in increases to Oil & Gas workloads at specific locations where processing of Applications for Permits to Drill occur. The Energy Policy Act of 2005 recognized this increase in demand and provided additional funding for BLM’s energy permitting in seven pilot offices. The initial budget estimates and the final allocations for Pilot offices were based, in part, on the cost information for program element EJ, which tracks processing of Applications for Permit to Drill. The cost management system provides the average cost per APD, which was used to allocate the APD funding, ensuring that sufficient funding would be available to process new and pending APD’s at each office. Actual cost estimates by location were used in final allocations.

The BLM has integrated its cost management program elements and work processes with the Interior Department Strategic Plan Goals. For example:

- The BK program element, completed cadastral survey miles, will roll up to the Department mission goal to “promote respect for private property” in Serving Communities.
- The EJ program element, process Applications for Permit to Drill, will roll up to the Department mission goal to “effectively manage and provide for efficient access and development” of energy resources.

Each program element is mapped to a specific end outcome goal that is part of one of the four Strategic Plan mission goals. A chart showing the funding for each subactivity, by end outcome goal, is included in the attachments to the General Statement.

With the direct linkage between budget subactivity and program element that exists in BLM’s cost structure and integration with the strategic plan mission goals, the critical linkages among budget, planning, cost, and performance were formed. Examples include the following:

Use of Cost and Performance Information In Land Use Plan Implementation: To facilitate budget-performance integration, BLM has developed a systematic process to identify and communicate proposed out-year funding priorities at the field office level. A field office initiates this process by outlining the work required to implement the office’s land use plan or plans. It then identifies those planned actions it wants to implement within the next 3-5 years given

projected funding levels and those additional actions it would implement first if additional funding became available. For these priorities, the office then outlines required tasks, required funding for labor and operations, and the budget subactivities that should contribute to these accomplishments. The worksheets used throughout this process provide a field office with a structured format for identifying out-year funding priorities and for linking these priorities with BLM's established workload measures and performance outcomes. These worksheets also help state management teams systematically understand and evaluate the proposed out-year priorities of multiple field offices.

Use of Cost and Performance Information In the Oil and Gas Management Program: BLM developed its 2007 request for an additional \$9.2 million at non-pilot offices using its Activity Based Cost Management system. The BLM first identified the number of pending APDs, then added the number of new APDs expected and the required inspections and monitoring associated with the increase in APDs. Next, using the Bureau-wide average historical cost to process an APD and perform an inspection, BLM was able to estimate the total additional funding which would be needed in order for these offices to process 1,079 more APDs than it would be able to at the 2006 base funding level.

In 2005, BLM received more APDs than anticipated. In order to respond to this demand, BLM requested and received the approval of Congress to shift \$2.5 million from lower priority work into the Oil and Gas Management Program. These additional funds were allocated to States, based on the estimated cost in ABCM and an inventory of pending APDs. As a result of the investment in APD preparation, BLM was able to process more APDs in 2005 and 2006.

BLM's Implementation of the Program Assessment Rating Tool

The Program Assessment Rating Tool (PART) is a systematic method of assessing the performance of program activities across the Federal government that is designed to improve program performance by linking performance to budget allocation decisions.

As a result of fiscal year 2005 and 2006 PART reviews, the BLM continues to focus on how to use PART efficiency measures to demonstrate the relative cost-effectiveness of its programs in achieving their goals. By presenting its performance targets and accomplishments in terms of annual outputs or outcomes, in the context of public demand, and by showing consistent improvement in unit cost and timeliness, BLM can show that it is leveraging its investments in cost management and other systems to deliver better value to taxpayers.

PART Evaluations of BLM Programs

Budget Year	Program
2007	Resource Management Land Use Planning
	Mining Program
2006	Realty and Ownership Management
	LWCF Land Acquisition
	Southern Nevada Public Land Management Act
2005	Recreation Management
	Energy and Minerals Management
	Land & Water Conservation Fund (LWCF) State Grants
2004	Habitat Restoration Activities

For 2007, the BLM assessed its Resource Management Planning and Mining Law Administration programs.

Resource Management Planning (42%) – The program received a favorable rating to all of the questions regarding clarity of program purpose and function. However, the review raised questions about the role, function, and measured results of the Resource Management Planning program as it relates organizationally to the Bureau's monitoring activities, especially for land health, and the BLM's National Monitoring Strategy.

The BLM will use findings and recommendations from the PART review in order to continue improving the Resource Management Planning program. The BLM continues to work to identify better performance measures for the planning program.

Mining Law Administration (30%) – The BLM received favorable ratings for the regulatory framework of the program, although implementation of some regulatory requirements could be improved. The program received a low score for the adequacy of long term performance measures. The PART made the following findings:

- In updating its program regulations in 2001, the agency has taken a significant step toward improving management of the program. A key change involved strengthening operator requirements for maintaining financial guarantees for reclamation of mines once operations cease. Some work still remains in fully implementing parts of the 2001 regulations.
- The program needs better outcome-oriented measures to gauge its effectiveness at ensuring that mining operations take place in an environmentally responsible manner and that operators meet their obligations to reclaim mine sites when operations cease. Current data limitations make it difficult for the agency to collect certain performance information.

The administration will work with Congress to update the Mining Law to address key issues that will protect taxpayers and help achieve a more effective administration of the mining program. New performance measures will be developed to assess whether the program is meeting its goals. BLM will update and link its data collection systems to ensure the program has the information it needs to track operator performance and ensure the program is meeting its outcome goals.

Other Uses of PART Measures: The BLM also uses PART measure information to adjust program management and resource allocations. For example:

- BLM is currently using the cost-per-APD efficiency measure in the oil and gas program to plan the allocation of funds to respond to Energy Policy Act requirements for BLM's "non-pilot" offices. (Only seven "pilot" offices are eligible to use the new BLM Permit Process Improvement Fund outlined by the Act.)
- In response to a PART recommendation, BLM is working on a multi-year monitoring strategy to integrate and enhance the Bureau's on-going program-specific monitoring activities.

PART Implementation

Efficiency Measures — The BLM has developed measures to capture major efficiency drivers for all but one PARTed program (the Restoration program, which is working with Department of

the Interior bureaus to develop invasive species measures that are consistent Department-wide; the program has established workload measures or performance elements to track restoration-related accomplishments).

Measures have been developed for all other PARTed BLM programs and include:

- Oil and Gas—Cost per APD.
- Recreation—Cost per visitor.
- Cadastral Survey—Percent of cadastral surveys completed within 18 months of being funded.
- Rights-of-Way—Cost to process minor category permit or grant, and average length of time required to process a minor category permit or grant application.
- Southern Nevada Public Land Management Act (SNPLMA) administration—Percent of parcels offered for sale within 12 months of nomination.



A road grading and restoration project

CONGRESSIONAL DIRECTIVES

The Bureau of Land Management is in the process of responding to requests for information from the House and Senate Appropriations Committees. The Conference Report for the 2006 Appropriation Act requested several reports, a summary of which follows:

Report on Oil Shale Leasing: The requested report may be found under the tab “Other Exhibits.” This report was filed in December 2005 with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. The report was prepared in response to the requirements of the Energy Policy Act of 2005, Sec. 369 (g) “Oil Shale, Tar Sands, and Other Strategic Unconventional Fuels Act of 2005” (P.L. 109-58, August 8, 2005). The report also provides the information responding to the Committee’s request in the House Report for the 2006 Appropriation Act, H.R. 109-80, page 14.

Report on Mining Patents Processed: This report is in progress and is due October 13, 2006. H.R. 2361 (PL 109-54) Section 408 calls for the Secretary of the Interior to report on actions taken regarding mining law patent status based the Department’s plan. The plan was directed by Department of the Interior and Related Agencies Appropriations Act, 1997 (P.L. 104-208) Section 314.

Cost Recoveries: House Report 108-542 directs the BLM to continue to streamline the permitting process for applications for permits to drill and report quarterly on the number of permits issued. The BLM continues to report quarterly on its status of APD processing.

Cross-Cutting Programs, and Programs of Special Interest

Renewable Energy Production from Public Lands

Geothermal Resources Management – The Geothermal Resources program manages the exploration, development, and oversight of geothermal resources on Federal lands. The BLM is responsible for leasing Federal geothermal resources, and then issuing permits and licenses for post-lease development for both electrical and direct-use heat applications, while ensuring compliance with lease terms and NEPA and the protection of other resources. The BLM presently manages 354 geothermal leases, with 58 leases in producing status. These leases generate over 24 megawatt-hours of electrical power per year and provide alternative heat sources for direct-use commercial endeavors. Geothermal generates over \$12 million in federal revenues each year.

Section 224 and 234 of the Energy Policy Act of 2005, P.L.109–58, amended the Geothermal Steam Act of 1970. Section 224 provides that fifty percent of geothermal bonuses, rents, and royalties will be paid to the State and twenty-five percent will be paid to the County within the boundaries of which the leased lands or geothermal resources are or were located. Section 234 provides that revenue from geothermal bonuses, rents, and royalties, excluding funds required to be paid to State and County governments are deposited into BLM's Geothermal Steam Act Implementation Fund. Under the Act, these deposits will be made to the fund from 2006 through 2010 for the purpose of expediting the development of geothermal steam as an energy source. BLM expects to receive an additional \$2.7 million in 2006 under the provisions of the Act. The budget proposes to rescind the revenue provisions in Section 224 and Section 234 in 2007, thus returning the disposition of geothermal revenue to the historical formula of fifty percent to States and fifty percent to the Treasury. No additional revenue from the Act would be available to BLM in 2007 for the purpose of implementing the Geothermal Steam Act if the revenue provisions are rescinded, as proposed.

Wind and Solar Renewable Energy Rights of Way – In addition to traditional oil and gas pipeline rights-of-ways, electric transmission line rights-of-ways, and communication sites, the BLM's Lands and Realty program authorizes rights-of-ways for the use of public lands for wind and solar energy production sites. The BLM anticipates an increasing interest in the use of public lands for renewable energy development, due to recently enacted laws in some States requiring energy companies to provide a portion of their products from renewable energy sources. In 2006, the BLM will continue conducting studies necessary to evaluate and process the increasing number of applications for rights-of-way for the siting of wind and solar energy projects and applications for rights-of-way for electric transmission lines from these projects. An Environmental Impact Statement (EIS) relating to the authorization of wind energy projects was completed in 2005. This EIS provides an analysis of the development of wind energy projects in the West. Principal areas tentatively identified for development are in Nevada, Idaho, Oregon,

Arizona, and Utah. Offices will be able to utilize this EIS to aid in analyzing impacts for specific applications for the use of public lands for wind energy use. In conjunction with the publication of this EIS, applicable BLM land use plans were amended to allow for the use of applicable lands for wind energy development. The BLM will also continue to participate with the Department of Energy's Renewable Energy Laboratory on wind and solar energy studies.

Hydropower Re-licensing – The Federal Power Act of 1920 authorizes the Federal Energy Regulatory Commission to permit the use of Federal lands by private entities to develop hydro-power facilities. These existing facilities, many of which were licensed in the 1940s and 1950s, are located on public lands withdrawn by FERC. A large number of these facilities are nearing the end of their license terms, and the BLM, through participation in FERC's re-licensing process, is providing input into the license review and approval process, and identifying applicable terms and conditions necessary to protect or enhance specific resource values. Hydro-power license and re-license projects are located primarily in California, Washington, Oregon and Idaho. The use of the public lands for hydro-power facilities supports the Department's Strategic Plan Resource Use mission goal and the end outcome goal to manage the public lands and resources to promote responsible use and ensure optimal value for energy production.

Biomass (Forest Management) – BLM manages 55 million acres of forests and woodlands under the Public Domain Lands and Oregon and California Grant Lands programs. The goals of the Forest Management program are to maintain and restore the health of BLM's forests and woodlands, and to provide forest products for economic opportunities. In 2007, the BLM will spend \$290,000 of the Public Domain Forest Management subactivity funding for biomass project work to contribute to biomass energy supply. This funding is for projects only, which does not include BLM labor involved in facilitating the use of biomass energy within BLM, the public, and industry. BLM's Biomass Program continues to focus on biomass utilization — both on-the-ground projects and assistance to community groups to attract/develop industry infrastructure. In 2006, BLM has approved funding on public lands for 5 biomass projects in 5 states totaling \$290,000.

BLM Renewable Energy - Appropriations History and 2007 Budget Requests (\$000)

Program/Issue	2001 Enacted	2002 Enacted	2003 Enacted	2004 Enacted	2005 Enacted (post rescission)	2006 Enacted (post rescission)	2007 Request
Geothermal	300	350	1,300	1,250	1,233	1,214	1,214
Geothermal Steam Act Implementation Fund (Energy Policy Act)	0	0	0	0	0	2,693	0
Renewable ROW primarily wind & solar energy	0	0	250	400	644	635	635
Hydropower relicensing		0	300	300	296	291	291

Program/Issue	2001 Enacted	2002 Enacted	2003 Enacted	2004 Enacted	2005 Enacted (post rescission)	2006 Enacted (post rescission)	2007 Request
Contribute to biomass energy supply.*	0	0	0	0	235	290	290
Total Renewable Energy	300	350	1,850	1,950	2,408	5,123	2,430

Rescissions

1.40%

1.50%

BLM is also completing a Wind Energy Environmental Impact Study

Wind Energy EIS	N/A	1,169	1,532	32
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* These dollar figures represent project work only and don't account for BLM labor involved in facilitating the use of biomass energy within BLM, the public, and industry.

National Landscape Conservation System

The National Landscape Conservation System (NLCS) was created in June 2000 as a system of unique landscapes with diverse resources and characteristics. The NLCS brings into a single system some of the BLM's premier designations and helps provide a better understanding of BLM's natural and prehistoric world by supporting an array of scientific study and research. NLCS units are home to a variety of ecosystems, from cactus deserts and redwood groves to coastal zones and arctic tundra that all host rare plant and animal communities. In a fast-changing West, the NLCS showcases best management practices while maintaining undeveloped open spaces, promoting livability by preserving air and water quality, and offering unparalleled opportunities for outdoor recreation and scientific research.

Types of Areas: As a system, the NLCS is comprised of 32 National Conservation Areas, National Monuments, and other conservation areas; 177 Wilderness Areas; 38 National Wild and Scenic Rivers; and portions of 12 National Scenic and Historic Trails. Funding for the management of these areas is derived from a number of BLM accounts included in the Management of Lands and Resources Appropriation, Oregon and California Grant Lands Appropriation, Construction Appropriation, the Land and Water Conservation Fund and a variety of contributed funding sources.

Land Use Planning: The BLM's management of all public lands, including the NLCS, is guided by the Federal Land Policy and Management Act. Under FLPMA the BLM is continuing efforts to complete and implement resource management plans for NLCS units. By the end of fiscal year 2007 resource management plans will be completed for all 32 National Conservation Areas and National Monuments. Planning efforts in 2006 will focus on continuing work on 8 management plans and completing 7 management plans, and in 2007, BLM will complete 7 management plans. The development of management plans and the priority work necessary to implement them is conducted in close coordination with all interested parties, including local communities, governments, and other stakeholders.

Partnerships: Developing and maintaining these partnerships is key to the success of the NLCS, particularly as populations in the West increase and National Conservation Areas, National Monuments, and communities are impacted by growth. Consistent with the President's

Executive Order on Cooperative Conservation, the NLCS is engaged in a number of high priority partnership projects that build broad-based coalitions to fully discuss and coordinate land management issues. For example, 9 National Conservation Areas and Monuments have established active Advisory Councils that are helping guide management decisions, and almost every unit has an active and growing Friendship group.

Science Strategy: In an effort to better manage on-going and future scientific work in the NLCS, the BLM developed a Science Strategy that will continue to be implemented in 2006 and 2007. The Science Strategy provides a framework for communicating research opportunities to the scientific world and identifies research needs to support management decisions.

Scenic and Historic Trails System: Through the NLCS, the BLM manages parts of 12 National Scenic and Historic Trails totaling approximately 5,300 miles that cut through 10 States. In 2007, BLM will continue to work with 16 non-profit organizations that support volunteers along the trails that help ensure the long-term care, maintenance, and preservation of the system.

Wild and Scenic Rivers: In addition to trail management, the BLM through the NLCS manages 38 Wild and Scenic Rivers that stretch across 2,050 miles of public lands. These rivers provide diverse recreational opportunities and ensure that certain cultures are sustained by preserving resources for traditional uses. In 2007, work will continue on day-to-day river management obligations, including managing a significant recreation permit system for river uses and protecting and restoring river values. River projects are completed in collaboration with local communities, partners, stakeholders, and state local and tribal governments to ensure that rivers are maintained for an array of multiple uses.

Wilderness and Wilderness Study Areas: Wilderness and Wilderness Study Areas are located in many of the BLM's National Conservation Areas and National Monuments and often contain Wild and Scenic Rivers or National Scenic and Historic Trails. These areas – 7.3 million acres of designated Wilderness and 14.3 million acres of Wilderness Study Areas – are managed to protect the land's natural character. Most recently, the Cedar Mountain Wilderness Area was established, comprising approximately 95,000 acres in western Utah. In 2007, the BLM will identify on-the-ground boundaries and develop Wilderness Management Plans for the 15 Wilderness Areas that were designated in 2005 and 2006.

The following table shows projected funding at NLCS units in 2005 and 2006.

State	Unit Name	FY 2006 (1)			FY 2007 (1)		
		Operation Funding	one-time funding for planning	Total	operation funding changes from 2006 (2)	one-time funding for planning	Total
Special Conservation Designation Established by Congress or the President (3)							
AK	Steese NCA	\$350		\$350			\$350
	White Mountains NRA (4)	\$643		\$643	\$20		\$663
	Subtotal	\$993	\$0	\$993	\$20	\$0	\$1,013
AZ	Gila Box Riparian NCA (4)	\$468		\$468	-\$47		\$421
	Las Cienegas NCA	\$659		\$659	-\$109		\$550
	San Pedro Riparian NCA	\$916		\$916	-\$246		\$670
	Grand Canyon Parashant NM	\$946	\$28	\$974	\$13	\$100	\$1,059
	Agua Fria NM	\$450	\$267	\$717	-\$47	\$100	\$503
	Vermilion Cliffs NM	\$517	\$5	\$522	-\$59		\$458
	Sonoran Desert NM	\$491	\$202	\$693	-\$98	\$100	\$493
	Ironwood Forest NM	\$303	\$125	\$428	-\$55	\$65	\$313
	Subtotal	\$4,750	\$627	\$5,377	-\$648	\$365	\$4,467
CA	Carrizo Plain NM	\$970		\$970	-\$15		\$955
	King Range NCA (4)	\$872		\$872	-\$153		\$719
	Headwaters Forest Reserve	\$1,260		\$1,260	-\$50		\$1,210
	California Desert Conservation Area (7)			\$0			\$0
	Santa Rosa/San Jacinto Mountains NM	\$1,490		\$1,490	-\$519		\$971
	California Coastal NM	\$232		\$232	-\$35		\$197
	Piedras Blancas Lightstation	\$346		\$346	-\$194		\$152
	Subtotal	\$5,170	\$0	\$5,170	-\$966	\$0	\$4,204
CO	Gunnison Gorge NCA (4)	\$561		\$561	-\$15		\$546
	McInnis Canyons NCA (4)	\$418		\$418	-\$45		\$373
	Canyons of the Ancients NM (4)	\$807		\$807	-\$34	\$130	\$903
	Subtotal	\$1,786	\$0	\$1,786	-\$94	\$130	\$1,822
ID	Snake River Birds of Prey NCA	\$239	\$357	\$596			\$239
	Craters of the Moon NM	\$877	\$85	\$962	-\$298		\$579
	Subtotal	\$1,116	\$442	\$1,558	-\$298	\$0	\$818
MT	Pompeys Pillar NM (4)	\$182		\$182			\$182

State	Unit Name	FY 2006 (1)			FY 2007 (1)		
		Operation Funding	one-time funding for planning	Total	operation funding changes from 2006 (2)	one-time funding for planning	Total
	Pompeys Pillar NM Visitor Center	\$95		\$95			\$95
	Upper Missouri River Breaks NM (4)	\$751	\$358	\$1,109	\$18	\$50	\$819
	Fort Benton Interpretive Center	\$151		\$151			\$151
	Subtotal	\$1,179	\$358	\$1,537	\$18	\$50	\$1,247
NM	El Malpais NCA	\$567		\$567			\$567
	Kasha Katuwe Tent Rocks NM (4)	\$275	\$140	\$415			\$275
	Subtotal	\$842	\$140	\$982	\$0	\$0	\$842
NV	Red Rock Canyon NCA	\$152		\$152	-\$121		\$31
	Red Rock Canyon NCA Visitor Center (4)	\$1,345		\$1,345			\$1,345
	Black Rock Desert High Rock Canyon Emigrant Trails NCA (4)	\$1,470		\$1,470	-\$71		\$1,399
	Sloan Canyon NCA (5)	\$10		\$10	-\$10		\$0
	Subtotal	\$2,977	\$0	\$2,977	-\$202	\$0	\$2,775
OR	Steens Mountain CMPA	\$1,212	\$26	\$1,238	-\$25		\$1,187
	Yaquina Head ONA (4)	\$508		\$508			\$508
	Yaquina Head Visitor Center	\$140		\$140			\$140
	Cascade-Siskiyou NM	\$372		\$372	-\$142		\$230
	Subtotal	\$2,232	\$26	\$2,258	-\$167	\$0	\$2,065
UT	Grand Staircase-Escalante NM (4)	\$5,283	\$166	\$5,449	-\$45		\$5,238
<i>NCA/NM Subtotal</i>		<i>\$26,328</i>	<i>\$1,759</i>	<i>\$28,087</i>	<i>-\$2,382</i>	<i>\$545</i>	<i>\$24,491</i>
National Scenic (NST) and National Historic Trails (NHT)							
AK	Iditarod NHT	\$420		\$420	-\$148		\$272
AZ	Juan Bautista de Anza NHT	\$61		\$61	-\$17		\$44
	Old Spanish NHT	\$16		\$16	-\$2		\$14
	Subtotal	\$77	\$0	\$77	-\$19	\$0	\$58
CA	Pacific Crest Trail	\$289		\$289	-\$214		\$75
	California NHT	\$25		\$25	-\$5		\$20
	Juan Bautista de Anza NHT	\$34		\$34	-\$20		\$14
	Old Spanish NHT	\$55		\$55			\$55
	Subtotal	\$403	\$0	\$403	-\$239	\$0	\$164

State	Unit Name	FY 2006 (1)			FY 2007 (1)		
		Operation Funding	one-time funding for planning	Total	operation funding changes from 2006 (2)	one-time funding for planning	Total
CO	Continental Divide NST	\$59		\$59	-\$59		\$0
	Old Spanish NHT			\$0	-\$15		-\$15
	Subtotal	\$59	\$0	\$59	-\$74	\$0	-\$15
ID	Continental Divide NST	\$132		\$132	-\$89		\$43
	Lewis and Clark NHT	\$368		\$368	-\$107		\$261
	California NHT			\$0			\$0
	Oregon NHT	\$8		\$8			\$8
	Nez Perce NHT	\$15		\$15			\$15
	Subtotal	\$523	\$0	\$523	-\$196	\$0	\$327
MT	Continental Divide NST	\$7		\$7			\$7
	Lewis and Clark NHT	\$1,534		\$1,534	-\$1,115		\$419
	Nez Perce NHT	\$8		\$8			\$8
	Subtotal	\$1,549	\$0	\$1,549	-\$1,115	\$0	\$434
NM	Continental Divide NST	\$337		\$337	-\$283		\$54
	El Camino Real de Tierra Adentro NHT	\$15		\$15	\$15		\$30
	El Camino Real International Heritage Center	\$200		\$200			\$200
	Old Spanish NHT	\$100	\$60	\$160		\$120	\$220
	Subtotal	\$652	\$60	\$712	-\$268	\$120	\$504
NV	Pony Express NHT	\$10		\$10			\$10
	California NHT	\$100		\$100			\$100
	Old Spanish NHT	\$5		\$5			\$5
	Subtotal	\$115	\$0	\$115	\$0	\$0	\$115
OR	Oregon NHT	\$10		\$10			\$10
	National Historic Oregon Trail Interpretive Center (4)	\$781		\$781			\$781
	California NHT	\$5		\$5			\$5
	Pacific Crest NST	\$5		\$5	-\$5		\$0
	Subtotal	\$801	\$0	\$801	-\$5	\$0	\$796
UT	California NHT	\$25		\$25			\$25
	Pony Express NHT	\$90		\$90			\$90
	Old Spanish NHT	\$37		\$37			\$37
	Subtotal	\$152	\$0	\$152	\$0	\$0	\$152
WY	Continental Divide NST	\$115		\$115	-\$18		\$97
	California NHT			\$0			\$0
	Mormon Pioneer NHT	\$193	\$34	\$227			\$193
	Nez Perce NHT	\$4		\$4			\$4

State	Unit Name	FY 2006 (1)			FY 2007 (1)		
		Operation Funding	one-time funding for planning	Total	operation funding changes from 2006 (2)	one-time funding for planning	Total
	Oregon NHT			\$0			\$0
	Pony Express NHT			\$0			\$0
	National Historic Trails Interpretive Center (4)	\$452		\$452			\$452
	Subtotal	\$764	\$34	\$798	-\$18	\$0	\$746
NSHT Subtotal		\$5,515	\$94	\$5,609	-\$2,082	\$120	\$3,553
Wild and Scenic Rivers (WSR)							
AK	Beaver Creek WSR	\$206		\$206			\$206
	Birch Creek WSR	\$121		\$121			\$121
	Delta WSR	\$325		\$325			\$325
	Fortymile WSR	\$649		\$649			\$649
	Gulkana WSR	\$703		\$703	\$45		\$748
	Unalakleet WSR	\$86		\$86			\$86
	Subtotal	\$2,090	\$0	\$2,090	\$45	\$0	\$2,135
CA	North Fork American	\$55		\$55	-\$10		\$45
	Merced River	\$50		\$50			\$50
	Tuolumne River	\$10		\$10			\$10
	Eel River	\$10		\$10			\$10
	Klamath River			\$0			\$0
	Trinity River	\$65		\$65	-\$45		\$20
	Subtotal	\$190	\$0	\$190	-\$55	\$0	\$135
MT	Missouri WSR	\$481		\$481	-\$51		\$430
NM	Rio Chama WSR (4)	\$147		\$147			\$147
	Rio Grande WSR (4)	\$945		\$945			\$945
	Subtotal	\$1,092	\$0	\$1,092	\$0	\$0	\$1,092
OR	Clackamas			\$0			\$0
	Crooked (Middle & Lower) (4)	\$90		\$90			\$90
	Deschutes (Middle & Lower) (4)	\$971		\$971	-\$39		\$932
	Donner und Blitzen	\$52		\$52			\$52
	Elkhorn Creek			\$0			\$0
	Grande Ronde	\$174		\$174			\$174
	John Day (Main Stem) (4)	\$270	\$15	\$285		\$725	\$995
	Kiger Creek	\$13		\$13			\$13
	Klamath (4)	\$10		\$10			\$10
	North Fork Crooked	\$25		\$25			\$25
	North Fork Owyhee	\$5		\$5			\$5
	North Umpqua			\$0			\$0
	Owyhee	\$245		\$245			\$245
	Powder	\$7		\$7			\$7
	Quartzville Creek			\$0			\$0

State	Unit Name	FY 2006 (1)			FY 2007 (1)		
		Operation Funding	one-time funding for planning	Total	operation funding changes from 2006 (2)	one-time funding for planning	Total
	Rogue (4)	\$375		\$375	-\$30		\$345
	Salmon			\$0			\$0
	Sandy			\$0			\$0
	South Fork John Day	\$82		\$82			\$82
	Wallowa	\$27		\$27			\$27
	West Little Owyhee	\$40		\$40			\$40
	White	\$25		\$25			\$25
	Wildhorse Creek	\$68		\$68			\$68
	Subtotal	\$2,479	\$15	\$2,494	-\$69	\$725	\$3,135
WSRs							
Subtotal		\$6,332	\$15	\$6,347	-\$130	\$725	\$6,927
	BLM Washington Office	\$2,303	\$99	\$2,402	-\$201		-\$2,201
NLCS Total		\$40,478	\$1,967	\$42,445	-\$4,795	\$1,390	\$37,073
Notes:							
1	Includes preliminary FY 2007 permanent and one-time funding.						
2	The numbers in this column represent the change from FY 2006 operations amounts. The changes reflect the reduction of FY 2006 one-time funds and increases of one-time funds for FY 2007, as known at this time. Approximately \$3.5M was added by Congress, specifically for NLCS units, in FY 2006 which has been removed from the FY 2007 funding amounts.						
3	These special designations include: NCA - National Conservation Area; NRA - National Recreation Area; NM - National Monument; FR - Forest Reserve; ONA - Outstanding Natural Area; CMPA - Cooperative Management and Protection Area						
4	Funding amounts include projected Recreation Fee receipts for FY 2006.						
5	Funding for planning and operations work at Sloan Canyon NCA is from 5865 SNPLMA Conservation and Research and is outside of the FY 2007 President's Budget.						
6	Includes both Management of Lands and Resources (MLR) and Oregon and California Grant Lands (O&C) funding sources.						
7	Funding for the California Desert Conservation Area is slightly more than \$25 million and historically has generally not been reflected in this table. Of the \$25 million, approximately \$4 million is collected from recreation fees (primarily at Imperial Sand Dunes) and spent for management of the fee areas; approximately \$13 million is directed to work such as land-use planning and NEPA, OHV management, energy and mineral development, realty actions, wild horse and burro management; and almost \$6 million is for the management of NLCS designations within the California Desert Conservation Area. The remaining \$2 million is used for administrative support costs. The \$6 million is approximately 25% for management of the Santa Rosa and San Jacinto Mountains National Monument, 25% for law enforcement, 40% for wilderness management, and 10% for National Scenic and Historic Trail management.						

National Monitoring Strategy

The Bureau of Land Management has long collected information about land health condition, air and water quality, recreational site visitation, locations of permitted uses, and a host of other measures that might be characterized as “monitoring.” Considered broadly, the work related to assessment, inventory, and monitoring accounts for between ten and fifteen percent of the BLM’s operations. This very substantial commitment of time and money has been focused, for most of the Bureau’s history, on one-time needs in individual field offices – needs associated primarily with authorizing uses and implementing projects. Data have been gathered according to Bureau standards, but because they are organized to determine whether local objectives are being met, the information is often not comparable to data collected elsewhere in the BLM. From one office to another, information may be collected using different means and stored using different applications or in different media, and as a result cannot be aggregated to form a picture of regional or national conditions. In addition, BLM’s data have often not been recorded in a way that allows comparisons over time to establish trends in either resource conditions or resource uses. A wealth of information about historical and present day conditions – some collected by BLM itself and some collected by other sources - is therefore theoretically available to answer management questions, but is very difficult to access or use.

Together, these factors contribute to monitoring processes that are less efficient and effective than they could be. At the same time, the BLM and other Federal agencies have begun to acknowledge that different scales of analysis may offer important monitoring information that is fundamentally different than the site-by-site based approaches on which most of the analyses currently rely.

Because of these internal management needs, and because of the ongoing interest in process improvement under the President’s Management Agenda, BLM is developing a national strategy to more effectively manage the collection, storage, and use of data about resource conditions and resource uses. This is a multi-year effort intended to:

- enhance the efficiency and effectiveness of BLM’s assessment, inventory, and monitoring efforts;
- establish and use a limited number of resource indicators that are common to most BLM field offices, and that are comparable to measures used by other government agencies and non-governmental organizations; and
- standardize data collection, evaluation, and reporting in a way that improves the quality of the BLM’s land use planning and other management decisions, and enhances BLM’s ability to manage for multiple uses.

To date, efforts to develop a National Monitoring Strategy have emphasized the importance of evaluating the Bureau’s data collection, storage, and analysis needs at multiple scales. In 2007, projects will continue to be organized at the “local,” “regional,” and “national” scales and policy recommendations will describe data collection and use needs at each of those scales. Specific deliverables are expected to include:

- New data sets, especially on conditions at a regional level, with conclusions regarding whether and how similar data sets should be acquired for basins or regions outside the pilot areas.

- New protocols for gathering information, especially for resources (e.g., air) or programs (e.g., impacts of off-highway vehicle use) that have few Bureau-wide standards for data collection and analysis.
- New policies to begin the process of standardizing data collection, storage, and analysis, especially in the use of Geographic Information Systems and remotely gathered data.
- New technologies to help push policy changes (e.g., hand-held data capture devices, with common reporting fields, that are used throughout the BLM).

Some of these benefits will be realized in 2006, especially in the areas of establishing protocols and framing and setting new policy. Benefits of implementing a new strategy will only be realized in pilot locations in 2006. Full implementation of new policies Bureau-wide is not projected until 2007, and may take several years to complete. The BLM National Monitoring Strategy is being coordinated closely with the Bureau's vegetation strategy, the land use planning implementation effort, the Sagebrush strategy, and the BLM's efforts to implement the Energy Policy Act of 2005.

ADR / Conflict Prevention Program

The ADR/Conflict Prevention Program is the primary resource within BLM for conflict prevention and alternative dispute resolution. The program assists external stakeholders such as the public, other government agencies, and non-governmental organizations, as well as Bureau employees in obtaining advice and assistance in using these conflict management strategies to improve working relationships and increase opportunities for early public involvement in Bureau decision-making.

Major activities in the Program include

- Develop national policy framework on conflict prevention, management and resolution;
- Support cooperative conservation and community engagement in Bureau programs using ADR-based approaches;
- Evaluate the use of ADR-based approaches across Bureau programs in order to reduce conflict, improve processes and lead to better program outcomes;
- Ensure regular training as directed under the Administrative Dispute Resolution Act.

Native Plant Materials Development Program

The Native Plant Materials Program (NPMP) is in its sixth year in BLM and is in direct response to Congressional direction to supply native plant material for emergency stabilization and longer term rehabilitation and restoration efforts. The focus of the NPMP is to increase the amount of seed available and the number of native species with seed available for these efforts. The NPMP includes Seeds of Success, a conservation seed collection project in the US coordinated through the Plant Conservation Alliance in cooperation with Royal Botanic Gardens, Kew. In compliance with Congressional direction, BLM is developing an interagency long-term program to supply and manage native plant materials for use in rehabilitation and restoration efforts on Federal lands. BLM is working closely with other Federal, State, local and private parties through the Plant Conservation Alliance in the development of these materials which will aid in restoring health to the public lands and will promote multi-species conservation. Developing new plant materials is a long-term process and requires several years of testing and evaluation to determine biological characteristics and cultural techniques for germinating and planting.

Seed increase projects require several years to produce sufficient seed for large-scale rehabilitation and restoration projects.

The 2007 budget proposes to spend \$4.6 million within the Wild Land Fire Management Program to support native plant seed collection and production, storage facilities, developing public and private partnerships, and conducting education and outreach. Over 8 million acres were burned by wildfires in 2005. Nearly 2 million of the acres that burned were in the Mohave Desert of Lincoln and Clark counties, Nevada. The NPMP will begin a new initiative in 2007 with focus on Mohave Desert. This interagency effort will initially assess the needs for native plant materials for restoration within the Mohave Desert areas of Nevada, California, Utah, and Arizona. Also in 2007, the NPMP will support the implementation of energy development initiatives developing native plant conservation strategies to help promote environmentally sound reclamation practices.

Challenge Cost Share Program

The Challenge Cost Share program leverages funding with non-Federal partners to complete more on-the-ground projects that are bureau-wide priorities. Between 1989 and 2005, more than 1,600 partnership projects generated cooperator contributions of more than \$32 million at a cost to BLM slightly more than \$14.5 million, or about \$2.20 for each BLM dollar spent. Projects funded through the Challenge Cost Share program benefit the following three goals:

- To improve the health of watersheds, landscapes and marine resources on the public lands.
- To sustain biological communities on the public lands.
- To improve access to recreation opportunities on the public lands.

These are goals shared by many of the specific BLM programs. Staff from these program design and oversee the CCS projects. The projects compliment work performed by the BLM in the various land management programs.



A toad outfitted with a radio transmitter for a toad monitoring study in Montana

BLM'S APPROPRIATIONS STRUCTURE

The BLM receives funding authority from numerous sources, including annual direct appropriations from the General Fund of the Treasury and from various special funds such as the Land and Water Conservation fund. Annual appropriations are also made of offsetting collections from non-Federal sources such as mining claim maintenance fees. When it is advantageous to the government, BLM is authorized under the *Economy Act* to enter into reimbursable agreements with other Federal agencies. In some instances, appropriations to other Federal agencies are transferred to BLM, such as transfers from the U.S. Forest Service to the BLM for pest control and cadastral survey programs.

Direct appropriations include the Management of Lands and Resources appropriation, which is the BLM's main source of funds for operating programs such as energy and minerals development, protection of lands and resources, land use planning, management of wild horses and burros, wildlife, grazing, authorization of uses of the public lands, and cadastral surveys. The Oregon and California Grant Lands appropriation covers the management of BLM lands and resources in western Oregon, which are governed by the *Oregon and California Grant Lands Act*. The Wildland Fire Management appropriation covers expenses for wildland fire suppression, preparedness, prevention, rehabilitation, hazardous fuels reduction, and rural fire assistance. The Land Acquisition appropriation is used to purchase lands and interest in lands in certain designated conservation areas. The Construction appropriation is used for construction of facilities on public lands. These appropriations are no-year accounts, and Congress appropriates funds annually.

Other direct appropriations include a major portion of the Miscellaneous Trust Funds appropriation, which provides for resource protection and development of public lands with funds contributed to the BLM from non-Federal sources. The Service Charges, Deposits and Forfeitures is a direct appropriation funded from sources such as fees collected to recover the costs of processing applications and documents, and providing copies of public land documents. Each year, Congress appropriates these funds to BLM to do the work. The Range Improvements appropriation is a direct appropriation of \$10,000,000 that is funded by half of the fees collected for grazing on the public lands, with the balance coming from the General Fund of the Treasury.

The BLM funds administrative expenses from the Workforce and Organizational Support program and the Land and Resource Information Systems program in the Management of Lands and Resources appropriation, and the Western Oregon Information and Data Systems program in the Oregon and California Grant Lands appropriation. In addition, the BLM funds administrative expenses through program assessments at the National and State Office level. A description of administrative support assessment process, as required by section 405 of the *2006 Department of the Interior and Related Agencies Appropriation Act*, is included in the Workforce and Organization Support chapter.

Some appropriations do not require annual appropriation by Congress, but are permanently appropriated by various laws. In this category are permanent appropriations paid to States, counties, and Native corporations. An example is payments made to western Oregon counties under the *Secure Rural Schools and Community Self-Determination Act* of 2000. The payments are derived from both receipts collected by the BLM and appropriations from the General Fund. Another category of permanent appropriations is derived from receipts collected by the BLM for the sale, lease or use of public lands or resources. The receipts are available for use by the BLM each year for specified purposes. For example, 85 percent of the receipts from the sale of public lands in Clark County, Nevada, is deposited into a special account and used for the acquisition of environmentally sensitive lands in Nevada and numerous other purposes authorized by Congress.



Wild horse round-up